



2019-2020 Budget & Financial Plan

ADOPTED BUDGET



Milpitas Transit Center and BART Station



City Hall



Future Development: 355 Sango Court
(100% Affordable Housing)



Creighton Park

City of Milpitas California

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2019-2020 Final Budget

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City of Milpitas

Community Vision

Milpitas will preserve its close-knit community and rich cultural diversity as it moves with innovation into the future by supporting sustainable growth and development, ensuring public safety, enhancing the environment and natural landscape, and nurturing landscape, and nurturing family and community connections.

Organizational Mission

The City of Milpitas is committed to accomplishing the community's vision by providing fiscally sound, superior services.

Our Values

- *Superior Customer Service*
- *Open Communication*
- *Integrity and Accountability*
- *Trust and Respect*
- *Recognition and Celebration*

Council Priority Areas

- *Public Safety*
- *Environment*
- *Transportation and Transit*
- *Economic Development and Job Growth*
- *Neighborhoods and Housing*
- *Community Wellness and Open Space*
- *Governance and Administration*



CITY OF MILPITAS

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September 6, 2019

Honorable Mayor and City Council of the City of Milpitas
Milpitas, California 95035

Members of the City Council:

I am pleased to present the Adopted Fiscal Year (FY) 2019-20 Budget, a balanced budget that reflects the funding necessary to address the highest priority needs of the Council, community and organization, while anticipating demands of a growing community and saving for the future.

The approval of the annual budget is the single most important policy action that the City Council takes. The annual budget represents the City's priorities for making resource investments, both for the upcoming year and for the long-term future. As such, the budget process incorporates a significant level of participation from the Mayor and Council, our community, key stakeholders, and City staff. Through the budget, our common goal is both to ensure that we use our limited resources as effectively as possible to deliver the services our community expects and deserves, and to operate with strong fiscal discipline and fiscal responsibility as stewards of the future.

City Council adopted the FY 2019-20 Operating Budget and FY 2019-24 Capital Improvement Program (CIP) at the June 11 special City Council meeting. Both budgets take into account feedback received from the Budget Study Session on January 29, the CIP Study Session on March 12, extensive community and staff engagement efforts in March and April, the Master Fee Schedule public hearing on April 30 continued to and adopted on May 15, and the May 15 Council Study session on the Operating and CIP budgets. Significant changes since the May 15 budget hearing include:

1. The Milpitas Food pantry will be funded at \$14,000 from the General Fund. Funding in FY 2020-21 for the Milpitas Food Pantry will be allocated from CDBG.
2. The Master Fee Schedule (with the public hearing opened on April 30 and continued to and adopted on May 15) included recommendations of fee changes based on a development review study prepared by Matrix Consulting Group and an update of current fees, fines, and penalties. An additional \$2.3 million in additional revenue from the changes to the Master Fee Schedule has been incorporated into the FY 2019-20 Adopted Operating Budget.
3. On April 30, 2019, the voluntary agreement with Airbnb, Inc. for the collection of the City's Transient Occupancy Tax on residential short-term rentals was approved by Council. City staff estimated that the transient occupancy tax collected and remitted through Airbnb, Inc. would be an additional approximately \$260,000 annually. This additional revenue has been incorporated into the FY 2019-20 Adopted Operating Budget.
4. Debt Service for a spring 2019-20 bond sale to enable completion of construction for Fire Station #2, as approved by the City Council on May 15, 2019. Debt service for fiscal year 2019-20, due to the timing, only requires one interest payment estimated at \$100,000. This payment has been incorporated into the FY 19-20 Operating Budget.
5. On April 16, 2019, the Matrix Development Review Process Study was presented to Council. This study included a recommendation to add (1) Fire Protection Engineer position which is in addition to net one position (1.0 Principal Planner and a reclassification from Plan Check Engineer to Sr.

Permit Center Analyst) added in the Proposed Budget based on the Study. The additional cost for this position is approximately \$271,000 and has been incorporated into the FY 2019-20 Operating Budget.

6. Capital Improvement Program (CIP) – a decrease of \$5.32 million primarily due to the following: decrease of \$4.5 million in Project No. 7100 (Aging Water System) from the removal of \$4.5 million in Water Bond funding; increase of \$0.23 million in Project No. 7117 (Abel Street Water Line) from replacing \$0.27 million in Water Bond and Water Line Extension funding with \$0.5 million in Water Capital Surcharge funding; decrease of \$2.5 million in Project No. 7118 (Dempsey Road) from the removal of \$2.0 million in Water Bond funding and \$0.5 million in Water Capital Surcharge funding; increase of \$0.55 million in Project No. 7121 (Automated Meter) from an increase in Water Bond funding from \$2.35 million to \$2.9 million; increase of \$0.5 million in Project No. 7127 (Water SCADA) from an increase in Water Bond funding from \$0.5 million to \$1.0 million; increase of \$0.7 million in Project No. 7076 (Well Upgrade) from an increase in Water Bond funding from \$2.8 million to \$3.5 million; decrease of \$0.3 million in (New) Green Bike Lane Installation Project from the removal of \$300,000 in funding.
7. One (1) Additional Police Officer was added to the FY 2019-20 Operating Budget, for a total of three (3) new Police Officers in FY 2019-20. An additional \$231,000 has been incorporated into the FY 2019-20 Operating Budget.
8. The position for (1) Administrative Assistant for the Mayor and Council was not added; however, the funding of \$145,000 for this position remained in the budget and staff was directed to return to Council with staffing options.
9. On April 30, 2019, Council directed staff to bring back a resolution on recommended Assistance programs. Additional costs totaling approximately \$444,000 have been incorporated into the FY 2019-20 Adopted Operating Budget for the Citywide Rate Assistance program to subsidize utility bills (\$257,000) and Building and Planning fees (\$187,000).

FY 2019-20 BUDGET

The Adopted FY 2019-20 Budget is \$247.9 million, of which the General Fund budget is approximately \$115.6 million (excluding the one-time transfer of \$6.0 million). The FY 2020-25 Five-Year General Fund Forecast was used as the starting point in the development of the budget since it is important to look at both short-term funding needs over the next year and long-term fiscal sustainability. While our City continues to be in a healthy fiscal situation because of a strong economy and the recently approved increase in the Transient Occupancy Tax (TOT) rate, it is prudent to plan for a potential slowdown in the next five years.

The Five-Year General Fund Forecast shown in Table 1 is based on current projections for revenues and expenditures. The forecast includes the recommended fee changes as reflected on the Master Fee Schedule that was approved by Council on May 15, 2019. The Master Fee Schedule includes various service and user fees and fines and penalties, as well as recommendations based on a study done by Matrix Consulting Group (consultant) for development services' user fees and permits. Approximately \$2.3 million annually of additional revenue was incorporated into the FY 2019-20 Adopted Operating Budget and Five-Year General Fund Forecast. Additionally, annual revenues of approximately \$260,000 were also incorporated for the additional transient occupancy tax the City estimates to collect as a result of Council's approval on April 30, 2019 of the voluntary agreement with Airbnb, Inc. for the collection of the City's Transient Occupancy Tax on residential short-term rentals. The additional revenues from these actions recognized over the five year forecast is estimated to total approximately \$15.9 million. It should also be noted that there is also approximately \$6.7 million in potential revenue such as transient-occupancy tax that will be generated from the Virgin Hotel, implementation of a safety inspection program, and grants that have not been included in the forecast; staff will continue to monitor them and incorporate them as their collection becomes more certain. Additionally, while a specific dollar amount for an anticipated economic downturn has not been built into the forecast numbers, the budget includes reserves to mitigate the impacts of a mild to medium economic downturn. Staff will continue to look for opportunities to diversify and increase revenues and bring forward recommendations to Council.

TABLE 1 – FIVE-YEAR GENERAL FUND FORECAST

	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Revenues	\$118.79	\$123.25	\$127.09	\$132.32	\$136.39	\$140.12
Expenditures	\$115.58	\$122.27	\$127.01	\$129.61	\$133.88	\$137.79
Net Operating Results	\$3.21	\$0.98	\$0.08	\$2.71	\$2.51	\$2.33

CITYWIDE BUDGET PROCESS

The budget process is an exercise in fiscal strategic planning that involves close coordination between the executive team and numerous staff budget representatives across all departments. For the FY 2019-20 Budget, a Budget Study Session was held with Council on January 29 to review the status of the FY 2018-19 Budget, significant accomplishments, and workplan items. A Council Priority Setting Retreat was held on February 22 to discuss and establish the seven Council Priorities as noted in the section *Council Priority Areas* below. A Capital Improvement Program (CIP) Study Session was held on March 12 to discuss the City's FY 2019-2024 Five Year CIP Budget and seek Council input. In March and April, City staff also held community budget meetings and City Town Hall meetings to engage the public and City staff in the FY 2019-20 budget development process. Engagement mechanisms included a dedicated budget website, social media channels, email, media outlets, flyers, and stakeholder outreach (i.e.: Chamber of Commerce, Milpitas Unified School District, Parent Teacher Association (PTA) Council). Using this feedback and the framework provided by the seven Council Priority Areas, staff developed and submitted their budget requests. Internal City Manager budget review meetings were held in March and April to discuss and prioritize the requests that met community and staff-identified priorities. Staff incorporated those key proposed service area initiatives into the budget and brought them to Council for review during the Operating and CIP budget study session held on May 15. Incorporating feedback received at this study session, the FY 2019-20 Operating Budget and FY 2019-24 CIP Budget was opened to a public hearing and approved by Council on June 11, 2019.

COUNCIL PRIORITY AREAS

At the Council Retreat held on February 22, 2019, the City Council identified seven priority areas to guide the development of the Budget.

- **Public Safety:** Continue to invest in police and fire protection, in partnership with our community.
- **Environment:** Promote a sustainable community and protect the natural environment.
- **Transportation and Transit:** Continue to seek and develop collaborative solutions to meet the transportation challenges facing our community and our region.
- **Economic Development and Job Growth:** Continue to strengthen our economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city.
- **Neighborhoods and Housing:** Continue to explore innovative approaches to incentivize affordable housing projects, collaborate with key stakeholders to care for our most vulnerable populations, and support and engage neighborhoods through dedicated programs and services.
- **Community Wellness and Open Space:** Continue to provide parks and amenities for people of all ages and abilities to enjoy higher levels of physical and mental health.
- **Governance and Administration:** Continue to streamline processes for enhanced service and remain committed to long-term fiscal discipline and financial stewardship.

FY 2019-20 CITYWIDE BUDGET OVERVIEW

Although most of this budget message describes changes and proposed actions that address service enhancements, it is important to note that most of the City's budget is allocated to delivering basic services, year after year. In the context of a \$115.6 million General Fund budget (excluding the one-time transfer of \$6.0 million) and a \$247.9 million total City budget, \$12.0 million or 4.8% of the total City budget is allocated to new activities or increased service levels of existing activities. The \$12.0 million is comprised of \$5.0 million for new positions and personnel related costs, and \$7.0 million for other services, programs, and projects. These changes are summarized by CSA (City Service Areas), in a separate section below.

As shown in Table 2 below, the FY 2019-20 Budget is balanced with \$247.9 million in revenues (including Transfers In) and \$247.9 million in expenditures (including Transfers Out). The FY 2019-20 revenue across all funds of \$247.9 million is a net increase of 19.8% or \$40.9 million compared to the FY 2018-19 adopted revenue of \$207.0 million. This is primarily due to capital improvement projects in the Sewer utility fund, which will primarily be funded with \$35 million in bond financing. The FY 2019-20 expenditures across all funds of \$247.9 million is a net increase of 19.8% or \$40.9 million compared to FY 2018-19 adopted expenditures of \$207.0 million. This is also primarily due to the increase in capital improvement projects and the funding for them from Other Funds, which include Gas Tax, Measure B, and Permit Automation funds and the one-time General Fund transfer of \$6.0 million.

TABLE 2 – FY 2019-20 CITYWIDE BUDGET SUMMARY (ALL FUNDS)

Revenues

	2018-19 Adopted	2019-20 Adopted	% Change from Adopted
General Fund	\$106.6	\$115.6	8.4%
Use of Prior Year Reserve (One-Time)	\$-	\$6.0	N/A
General Fund Total	\$106.6	\$121.6	14.1%
Other Funds	\$11.0	\$20.6	87.3%
Water Fund	\$42.4	\$36.5	(12.9%)
Sewer Fund	\$16.5	\$42.8	159.4%
Net Operating Funds	\$176.5	\$221.5	25.5%
Capital Projects Funds	\$30.5	\$26.4	(13.4%)
Total	\$207.0	\$247.9	19.8%

Expenditures

	2018-19 Adopted	2019-20 Adopted	% Change from Adopted
Personnel Services	\$93.5	\$104.0	11.2%
Supplies & Contractual Services	\$50.2	\$56.7	12.9%
Capital Outlay	\$2.0	\$1.6	(20.0%)
Operating Transfers Out	\$15.9	\$21.7	36.5%
Subtotal	\$161.6	\$184.0	13.9%
Capital Improvements	\$43.9	\$62.5	42.4%
Debt Service	\$1.5	\$1.4	(6.7%)
Total	\$207.0	\$247.9	19.8%

GENERAL FUND BUDGET OVERVIEW

The General Fund budget is approximately \$118.8 million in revenues and \$115.6 million in expenditures. There is a projected surplus of \$3.2 million. This does not reflect the one-time transfer out of \$6.0 million from prior year's reserve to be used for general government capital improvement projects (\$4 million) and the Housing Community Benefit Fund (\$2 million).

General Fund revenues (including operating transfers in) are \$118.8 million, an increase of 8.6% or \$9.5 million compared to the FY 2018-19 amended revenue of \$109.3 million (an increase of 14.1% or \$14.7 million from FY 2018-19 adopted revenue estimates of \$104.1 million).

- Property Tax revenue is expected to equal \$34.8 million, an increase of 4.5% or \$1.5 million compared to FY 2018-19 amended revenue of \$33.3 million (an increase of 10.8% or \$3.4 million higher than FY 2018-19 adopted revenue estimates of \$31.4 million). This source of revenue has seen an upward trend with new residential housing coming online, primarily in the Transit Area Specific Plan (TASP) area.
- Sales and Use Taxes are expected to equal \$27.2 million, a decrease of 3.9% or \$1.1 million compared to FY 2018-19 amended revenue of \$28.3 million (a decrease of 4.6% or \$1.3 million lower than FY 2018-19 adopted revenue estimates of \$28.5 million) due to downward business level adjustment from recent actuals trends.
- Hotel/Motel Tax, also known the TOT (transient occupancy tax), is expected to equal \$19.6 million, an increase of 26.2% or \$4.1 million higher than FY 2018-19 amended revenue of \$15.5 million (an increase of 54.1% or \$6.9 million higher than FY 2018-19 adopted revenue estimates of \$12.7 million). This is primarily due to the new TOT rate increase from 10% to 14% following a successful ballot measure (November 2018) and Council rate approval, effective January 3, 2019.
- Licenses and Permits (Building and Fire Permits, Fire Inspection Fees) are expected to equal \$14.7 million, an increase of 18.3% or \$2.3 million higher than FY 2018-19 amended revenue of \$12.5 million (an increase of 50.8% or \$5.0 million higher than FY 2018-19 budgeted revenue of \$9.8 million). This is primarily due to an increase in development activity throughout the City, and approved midyear additions to development staff that are estimated to reduce the backlog of development work. Additionally, this amount includes the recommendation from a Citywide Development Fee Study to set fees at 100% cost recovery for development services, which was approved by Council as part of the Master Fee Schedule on May 15, 2019. The total amount was estimated at \$2.3 million a year and has been incorporated in the FY 2019-20 Budget.
- Charges for Current Services, which include reimbursable private development jobs, recreation user fees, and miscellaneous charges, are expected to equal \$6.9 million, an increase of 4.3% or \$0.3 million from FY 2018-19 amended revenue of \$6.7 million (a decrease of 6.6% or \$0.5 million lower than FY 2018-19 adopted revenue estimates of \$7.5 million). The increase from the amended budget is from updates to the Master Fee Schedule approved by Council on May 15, 2019, offset by an adjustment downward of actual billable staff time to projects based on actual trends in the last two years.

General Fund expenditures (excluding one-time operating transfers out of \$6.0 million) are \$115.6 million, an increase of 7.7%, or \$8.2 million, compared to the FY 2018-19 amended expenditures of \$107.3 million (an increase of 8.4% or \$9.0 million from FY 2018-19 adopted expenditure estimates of \$106.6 million).

- Personnel costs are expected to equal \$92.0 million, an increase of 17.8% or \$13.9 million compared to FY 2018-19 amended expenditures of \$78 million (an increase of 11.3% or \$9.4 million higher than FY 2018-19 adopted expenditures of \$82.6) due to the addition of 24.75 new staff positions; wage increases per negotiated Memoranda of Understanding with the City's bargaining groups and unrepresented employees; increased employer contributions to pension plans; increased employee health benefits; and minor staffing reclassifications and reallocations. As discussed previously, the incorporation of the revenues from the Master Fee Schedule will offset the following positions (including support services positions) including: Sr. Permit Center Analyst (reclass Plan Check Engineer), (1) Fire Protection Engineer, (1) Entry level Fire Inspector, and (1) Principal Planner.

- Supplies and services are expected to equal \$22.5 million, an increase of 13.5% or \$2.7 million compared to FY 2018-19 amended expenditures of \$19.8 million (an increase of 17.1% or \$3.3 million higher than FY 2018-19 adopted expenditures of \$19.2 million) mostly in the areas of contractual services and maintenance such as parks maintenance, janitorial services, tree and streetscape maintenance, HVAC maintenance, and City Attorney services. This expenditure category also includes approximately \$0.5 million for the Citywide Rate Assistance Program.

PROPOSED SERVICE ENHANCEMENTS AND KEY BUDGET ACTIONS

Our City has seen a significant rise in development activity and with the anticipated opening of the new Milpitas BART station and transit center, we need to adjust our staffing levels and resources to continue to provide a high level of service to the community. To address this need, in December 2018, the City Council approved 10 new positions and invested \$5.1 million in other services. The 10 new positions (full-time equivalents or FTEs) consisted of 9.0 FTEs in the Building and Housing Department and 1.0 FTE in the Fire Department. The 9.0 FTEs added in Building and Housing were (1) Building Official, (1) Administrative Analyst II, (1) Plan Review Manager, (2) Plan Check Engineers (converted from (2) temporary positions), and (4) building inspectors (converted from (4) temporary positions). The 1.0 FTE added in the Fire Department was a Fire Prevention Inspector.

In February 2019, the City Council approved an additional 3 new positions, (2) Community Service Officers, or CSOs, in the Police Department and (1) Human Resource Technician in the HR department, and an investment of \$1.0 million in other services. The FY 2018-19 Adopted Budget reflects these additional expenditures, as well as new revenues based on the 4% increase in TOT and an increase in taxes, fees, and other charges.

Even with the mid-year additions, there remained several critical needs to support a high level of service to the community. Based on input at the Council Retreat held in February 2019 and subsequent budget study sessions, a citywide community survey and community meetings, an internal City staff survey, and Open Town Hall employee meetings, the Adopted Budget includes a number of recommendations that address existing needs and newly identified priorities.

The Adopted Budget includes the addition of 24.75 FTEs and strategic investments in other areas that support Council Priority Areas, including critical staffing needs to close organizational gaps, programming and services to support a high service delivery model, efficiencies through the use of technology and streamlined processes, and investment in our workforce through professional development.

In FY 2018-19, the City structured its operations into City Services Areas or CSAs that foster interdepartmental coordination of efforts, resources, and goals. Service enhancements and key budget actions are described briefly within each CSA section below.

Public Safety CSA

(Fire and Police)

Service Enhancement Highlights

1. Add 3 new police officers to respond to continued growth and the new BART station
2. Fund 2 new Community Service Officers for community policing services, including crime prevention
3. Provide staffing to operationalize the new ambulance, initially funded through overtime and ultimately staffed by firefighter paramedic trainees (pending receipt of SAFER grant)
4. Add funding for enhanced training for Police and Fire staff
5. Increase administrative and analytical support for Police and Fire to enable more efficient use of sworn staff
6. Invest in resources and systems to enable effective use of technology for public safety

Key Budget Actions

Personnel	Non-Personnel
• Add (3) Police Officers (\$691.5k)	• Increase funding for training in Police and Fire (\$110k)
• Add (2) Community Services Officers (\$316k)	• Increase funding for Fire medical evaluations (\$90k)
• Add (1) Police Management Analyst (\$198k)	• Contractual services for technology upgrades in Fire (\$110k)
• Add (1) Communications Dispatcher (\$181k)	• Add (6) new vehicles in Police (\$281k)
• Add (1) Executive Assistant in Fire (\$128k)	
• Increase Overtime in Fire to staff new ambulance (pending receipt of SAFER grant) (\$630k)	

Community Development CSA

(Building and Housing, Economic Development, Planning, Engineering – Land Development)

Service Enhancement Highlights

1. Increase funding for affordable housing projects and operations (including \$2 million for Housing Community Benefit Fund) and provide funding for tenant protection and homeless services.
2. Add a Principal Planner for long-term planning and policy work to support the fast pace of growth and community and Council interest in developing new policies; add an intern to enhance customer access to zoning information.
3. Add funding for a pilot Community Beautification program, the program could be mini grants for beautification projects including art projects throughout the City.
4. Add funding for a pilot Façade Improvement Grant Program to enable mini grants to businesses and property owners along S. Main Street in downtown to enhance the physical appearance and economic vitality of commercial businesses. The pilot also seeks to fund improvements, which create outdoor dining or gathering spaces to promote activity in the downtown.
5. Add funding for the Better Block community engagement strategy to catalyze revitalization along commercial corridors. Better Block events transform several blocks of a commercial corridor over a few days with temporary pop-up shops, parklets, bike paths, outdoor seating and other place-making activities. Staff and the community evaluate these activities and take action to input into place changes that will help transform S. Main Street into a vital commercial corridor and community-gathering place.
6. Provide ongoing funding for the implementation of a real estate consulting study. This will include real estate developer solicitation, selection and negotiations that will allow for the implementation of development strategies of specific opportunity sites throughout the City.
7. Add (1) Entry Level Fire Inspector to enable succession planning.
8. Add (1) Fire Protection Engineer to performs plans examination to ensure compliance with technical codes, applicable laws, state regulations, and city ordinances.

Key Budget Actions

Personnel	Non-Personnel
<ul style="list-style-type: none"> • Add (1) Principal Planner (\$222k) 	<ul style="list-style-type: none"> • Dedicated case manager for homeless services through a non-profit (\$75k one-time)
<ul style="list-style-type: none"> • Reclassify One Electric/Building Inspector to Senior Building Inspector (\$17k) 	<ul style="list-style-type: none"> • Repairs to homeless shelter facilities (\$60k one-time)
<ul style="list-style-type: none"> • Reclassify One Plan Check Engineer to Senior Permit Center Analyst (-\$5k) 	<ul style="list-style-type: none"> • Food pantry program \$14k (General Fund)
<ul style="list-style-type: none"> • Temporary staff to evaluate and make recommendations for a Sister Cities Program (\$25k) 	<ul style="list-style-type: none"> • Pilot Community Beautification Program (\$200k one-time)
<ul style="list-style-type: none"> • Add (1) Entry Level Fire Inspector (\$167k) 	<ul style="list-style-type: none"> • Pilot Façade Improvements (Main St. Store front) Grant Program (\$100k one-time)
<ul style="list-style-type: none"> • Add (1) Fire Protection Engineer (\$271k) 	<ul style="list-style-type: none"> • Better Block Pilot – Main St Events (\$50k one-time)
	<ul style="list-style-type: none"> • Contractual services to develop developments strategies for specific opportunity sites (\$75k)
	<ul style="list-style-type: none"> • Add funding for AmeriCorps program to address homeless services (\$50k one-time)
	<ul style="list-style-type: none"> • Establish Rate Assistance Program for Building and Planning (\$187k)

Community Services and Sustainable Infrastructure CSA (Engineering, Recreation and Community Services, and Public Works)

Service Enhancement Highlights

1. Invest in aging infrastructure including streets, utilities, facilities, and parks (including one-time funding of \$4 million from General Fund unassigned reserve for parks, facilities, and traffic/transportation projects)
2. Add resources for maintenance of parks, trees and facilities, including freeing up 2 existing FTEs by contracting out the maintenance of 9 additional parks
3. Create a program coordinator position to administer a centralized assistance/subsidy program, add resources and funding to establish a subsidy program for water and sewer utilities.
4. Add resources to ensure all City assets are accurately recorded in GIS.
5. Move solid waste and storm utility from Engineering to Public Works so as to better align work with other utilities, add resources to solid waste to manage the program, to pro-actively track and manage regulatory and legislative changes, and to ensure compliance.
6. Add resources for special events and recreation programs.
7. Added resources for a Citywide lease program for the City's light duty fleet, of which 85% are over 10 years old. This will allow for the timely replacement of the City's vehicles while maximizing equity at resale, as well as acquiring new, fuel efficient and safer vehicles for employees to drive.
8. Use one-time funding and partner with Silicon Valley Clean energy and private sector to install electric vehicle charging stations.

Key Budget Actions

Personnel	Non-Personnel
<ul style="list-style-type: none"> • Add One Public Services Assistant (\$122k) - net costs offset by existing temporary salaries (\$35k) and additional revenue (\$55k) 	<ul style="list-style-type: none"> • Increase funding for classes, special events and programs (\$150k)
<ul style="list-style-type: none"> • Add (1) Recreation Assistant II (\$89k) –offset by existing temporary salaries (\$22k), overtime (\$5k), and additional revenue (\$18.6k) 	<ul style="list-style-type: none"> • Establish Rate Assistance Program for Water and Sewer Utilities (\$257k)
<ul style="list-style-type: none"> • Add (0.75) Office Assistant (\$92k) - offset by existing temporary (\$63k) and additional revenue (\$28.9k) 	<ul style="list-style-type: none"> • Contractual services for on call emergency pipe repairs (\$320k)
<ul style="list-style-type: none"> • Reclassify (1) Case Manager to (1) Program Coordinator to manage Rate Assistance Program (\$18k) 	<ul style="list-style-type: none"> • Increase funding for contractual services for (9) additional parks (\$208k)
<ul style="list-style-type: none"> • Temporary staff in Recreation to enhance youth programs, special events, and aquatics programs (\$213k); conversion of fitness instructors from contractual services (\$172k) to temporary staffing totaling \$385k, 82% offset by fees 	<ul style="list-style-type: none"> • Establish a new fleet lease program (\$168k)
<ul style="list-style-type: none"> • Add (1) Maintenance Worker III (Tree Maintenance) (\$164k) 	<ul style="list-style-type: none"> • Funding for electric charging stations (\$200k)
<ul style="list-style-type: none"> • Add (1) Environmental Inspector (\$152k) 	<ul style="list-style-type: none"> • Add (11) new vehicles (\$565k)
<ul style="list-style-type: none"> • Temporary staffing in Public Works to respond to weed abatement, blight and tree maintenance (\$111k) 	<ul style="list-style-type: none"> • Contractual services to address GIS backlog (\$100k one-time)
<ul style="list-style-type: none"> • Add (1) Equipment Maintenance Worker II (EMW II) (\$169k) 	<ul style="list-style-type: none"> • One-time General Fund transfer to CIP (\$4 million)
<ul style="list-style-type: none"> • Add (1) GIS Technician I (\$175k) 	
<ul style="list-style-type: none"> • Add (2) Junior/Assistant Civil Engineers (\$347k) 	

Leadership and Support Services

(City Council, City Manager, City Attorney, City Clerk, Finance, Human Resources, and Information Technology)

Service Enhancement Highlights

1. Add funding for a 2 year limited term grant writer to track and coordinate grants on a Citywide basis; evaluate making position permanent in the future based on return on investment
2. Add a dedicated administrative support resource for the Mayor and Council to enhance community and regional engagement
3. Add funding to enhance communications through translation services and improved website
4. Add funding for additional community outreach on Census 2020
5. Add funding and resources in Human Resources and Information Services to better support public safety and other front line departments and to ensure compliance with current personnel laws, regulations, and best practices
6. Add resources in Finance to enable new debt financing, update finance standard operating procedures (SOPs), and to manage additional work related to the tracking of impact fees, Community Facility Districts, and implementation of several large enterprise wide technology systems
7. Add funding for a contract Portfolio Investment Manager to enable better tracking and management of the City's cash portfolio

8. Rename Information Services to Information Technology to better reflect the types of services provided by the department
9. Add funding for contractual services to conduct annual community and employee surveys
10. Add funding for additional Citywide training

Key Budget Actions

Personnel	Non-Personnel
<ul style="list-style-type: none"> • Add (1) Administrative Assistant in Finance (\$133k) – net costs offset by existing temporary staffing 	<ul style="list-style-type: none"> • Contractual services to update Finance SOPs (\$150k one-time)
<ul style="list-style-type: none"> • Add (1) Finance Manager (\$201k) 	<ul style="list-style-type: none"> • Contractual services for a Portfolio Investment Manager (\$150k one-time)
<ul style="list-style-type: none"> • Reclassify (1) Executive Assistant to (1) Sr. Executive Assistant (\$17k) 	<ul style="list-style-type: none"> • Census 2020 Outreach (\$50k one-time)
<ul style="list-style-type: none"> • Add (1) Information Systems Analyst in IT, dedicated to Public Safety (\$188k) 	<ul style="list-style-type: none"> • Contractual services for maintenance for new technology (\$130k)
<ul style="list-style-type: none"> • Add (1) Employee Relations Officer in Human Resources (\$218k) 	<ul style="list-style-type: none"> • Increase funding for Citywide training (\$35k)
<ul style="list-style-type: none"> • Reclassify (1) Accounting Technician II to Junior Accountant in Finance (\$10k) 	<ul style="list-style-type: none"> • Increase funding for City Attorney contract (\$337k)
<ul style="list-style-type: none"> • Add (1) Limited-Term Grant Writer for 2 years (\$162k) 	<ul style="list-style-type: none"> • Funding for Council Support (\$145k)
<ul style="list-style-type: none"> • Add (1) Limited-Term Management Fellow (\$114k) 	
<ul style="list-style-type: none"> • Add (2) Special Projects Associates and (1) Buyer in Finance and HR (\$159k) 	

RESERVES

California cities continue to face the growing challenge of rising pension costs, unfunded pension liabilities and increases to medical benefit costs for both active employees and retirees. Addressing unfunded pension liabilities is a prudent and essential element of our strategy to ensure the long-term fiscal sustainability of Milpitas. In December 2018, the City Council made significant strides in addressing the issue by using \$10 million in one-time operating surplus funds to increase the CalPERS Rate Stabilization Fund to approximately \$30 million. From 2001 to 2016, total contributions of \$8.4 million were added to the PERS Stabilization Reserve. In the last two years, a total of \$21.5 million has been added to the reserve. Staff continues to explore funding mechanisms for both the short and long term unfunded liabilities.

The total General Fund Reserves are \$75.6 million. A summary breakdown of the current General Fund Reserves is shown below in Table 3. Since the Unassigned Reserves are \$36.1 million, \$17.2 million higher than the 2 months of operating expenses required by Council policy, a total allocation of \$16.28 million to other high priority needs has been incorporated into the FY 2019-20 Adopted Budget, as shown in Table 3. \$10.18 million of this amount is to fund existing reserves; the remaining \$6.1 million are one-time transfers to the General Government CIP (\$4.0 million), Housing Community Benefit Fund (\$2.0 million), and the Citywide Rate Assistance Program (\$0.1 million). With these allocations from reserves, as of the adoption of this budget, the Unassigned Reserve will have a remaining balance of \$0.92 million.

TABLE 3 – GENERAL FUND RESERVES/TRANSFERS TO OTHER FUNDS (\$ in Millions)

	FY 18-19 Current Balance	Proposed Allocation	FY 18-19 Revised Balance	Target
General Fund Unassigned Reserves				
Unassigned	\$17.2	\$(16.28)**	\$0.92	N/A
Unassigned General Fund (2 months operating expenses)	\$18.9	\$-	\$18.9	\$18.9
Total Unassigned Reserve	\$36.1	\$(16.28)	\$19.82	N/A
General Fund Assigned Reserves				
Budget Stabilization Fund (one month of operating expenses)	\$5.00	\$4.45	\$9.45	\$9.45
Technology Replacement Reserve	\$1.0	\$1.0	\$2.0	\$5.0
Facilities Replacement Fund	\$2.5	\$4.50	\$7.0	\$10.0
Artificial Turf	\$1.0	\$0.23	\$1.23	\$1.8
PERS Stabilization	\$30.0	TBD*	\$30.0	\$182.3
Total Assigned General Fund Reserves	\$39.5	\$10.18	\$49.68	
Total General Fund Reserves	\$75.6	\$(6.1)	\$69.5	N/A

*Amount pending FY 18-19 surplus

**Includes \$6.1 million of transfers out of reserves

Economic Trends, Development and Profile

Milpitas is situated within the Silicon Valley region, known throughout the world as the home of high technology, innovation and research. Milpitas, considered the “Crossroads of Silicon Valley,” with most of its 13.6 square miles of land situated between two major freeways, I-680 and I-880, has experienced tremendous growth since its incorporation in 1954. Over the past 48 years, the population growth has increased from 26,561 in 1970 to nearly 80,000. Between 2000 and 2017, more than 13,000 residents were added. The Bay Area experienced significant employment growth from 1992 through 2000, adding more than 170,000 jobs. However, in 2001, Santa Clara County experienced its first negative job growth since 1992. Between 2001 and 2004, over 130,000 jobs were lost as a result of the dot-com bust. Between 2005 and 2007, the local economy began to recover slowly until 2008 when the economy went into global recession due to subprime mortgages, plummeting home sales, and meltdown of the financial market. This region was severely impacted due to concentration of the high-tech industry, heavy reliance on exports, decline of home prices, and reduced consumer spending. Milpitas was similarly impacted because of its location and comparable economic mix. However, since 2016, the local labor market has improved such that employment has surpassed its pre-recession peak in the Silicon Valley. Milpitas was the 8th fastest growing city in the nation between July 2014 and July 2015. Currently, with over 47,000 jobs and 35,000 employed residents, Milpitas is a jobs rich community. As of July 2019, the preliminary unemployment rate in the local area is 2.2 percent, below the national rate of 3.4 percent and the preliminary California rate of 4.2 percent. We are cautiously managing this economic road to recovery while cognizant of the need to remain in a state of fiscal readiness. As discussed above, the City has set aside reserves to mitigate a mild economic downturn.

GDP (Gross Domestic Product) growth increased at an annual rate of 2.1 percent in the second quarter of 2019 from the previous quarter (according to the BEA, or Bureau of Economic Analysis' Advanced estimate), and 2.9 percent in 2018 from the 2017 annual level. GDP is the value of goods and services less the value of the goods and services used up in production, and is the most popular indicator of the nation's overall economic health. It should be noted that while this growth rate is the fastest in recent years, half of that expansion comes from highly transitional sources, including a large drop in imports and a build-up in business inventories. As of June 2019, the Federal Reserve Board's advanced

projection shows this growth to slow to 2.1% in 2019, 2.0% in 2020, 1.8% in 2021, with a longer run projection beyond 2021 of 1.9%.

The CPI (Consumer Price Index), is used by the U.S. Bureau of Labor Statistics to measure inflation. The June 2019 CPI-U (Consumer Price index for all Urban Consumers) increased 1.6% over the last 12 months. Core CPI (CPI less food and energy) was 2.1% year-over-year in June. Core CPI represents a more accurate picture of underlying inflation trends since volatile food and energy products are excluded. While economic activity has been rising at a moderate rate, the labor market continues to remain strong, and overall inflation for items other than food and energy is running below 2 percent, the FOMC (Federal Open Market Committee) decided to lower the target range for federal funds rate to 2.00-2.25% at its July 2019 meeting due to muted inflation pressures and recent implications from global developments on the economic outlook.

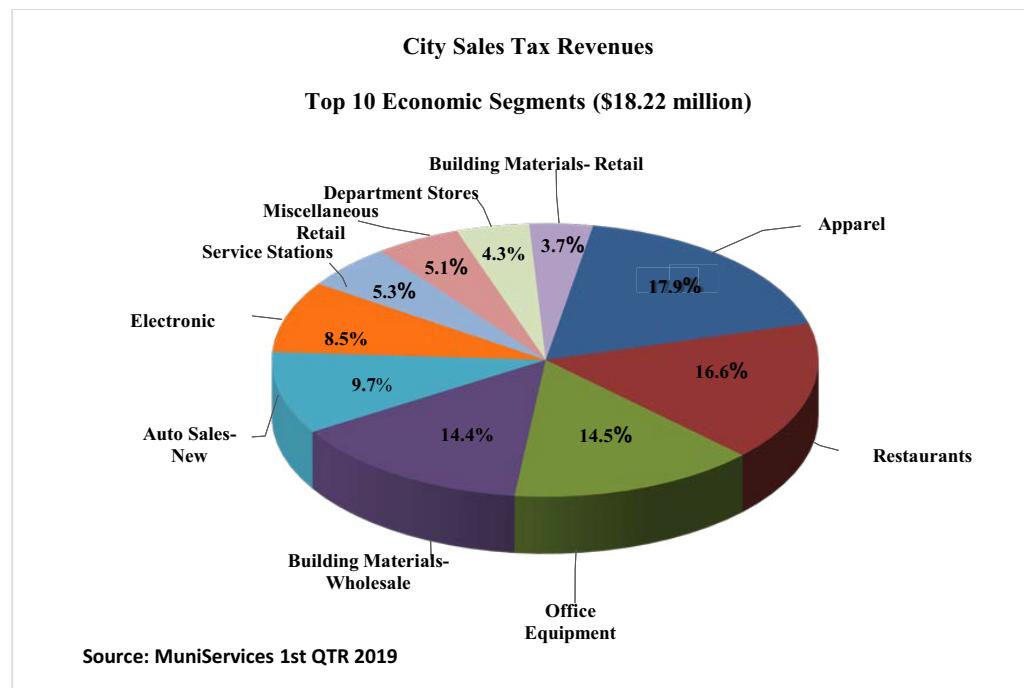
Growth in the South Bay housing market has also been an important contributor to the strength of the local economy. The median sale price of a single family residential home in Milpitas was \$1.0 million as of August 2019, down approximately 3.3% from last year. Sales fell 8.8 percent in the San Francisco Bay Area, with only Napa County recording a non-seasonally adjusted sales increase at 19.2 percent. The seven remaining counties experienced declines ranging from the low single-digits in Marin to a 21 percent dip in San Francisco. Median home prices also declined 8.1 percent in the San Francisco Bay Area, with only San Francisco County recording an 8.8 percent year-over-year price increase, following the statewide trend of cooling price growth. However, with mortgage rates expected to stay low in the upcoming months, the CAR (California Association of Realtors) has revised their 2019 housing market outlook upward for home sales. Between 2000 and 2010, the City's housing stock increased roughly 14% to 19,806 units, with an additional 8.3% increase from 2010 to 2017 (total: 22,215 units). As of April 2019, there were approximately 6,100 new residential units under construction, entitled, or pending approval. Beyond the residential equation, much is happening in Milpitas from a perspective of private investment. The following section entitled "Major Development Activities in the City" will discuss some of the development activities that are occurring in Milpitas.

There are approximately 1,293 acres, or 2.0 square miles, designated for various industrial uses. About 105 acres are vacant and available in parcels ranging from 3 acres to 35 acres. Included in this acreage total are nine industrial districts and 100 manufacturing plants. An additional 410 acres are dedicated to regional and community retail centers supporting 3.5 million square feet of commercial shops. The Great Mall of the Bay Area is the largest enclosed mall in Northern California, with approximately 1.1 million square feet of leasable space for retail and entertainment operations. Several local shopping centers serve regional needs for Asian-oriented retail and services.

The leading economic segments in sales tax are Building Materials-Wholesale, Apparel Stores, Restaurants, Office Equipment, Electronic Equipment, and Auto Sales-New. Latest data (Q1 2019) on the City's Top sales tax generators includes Cisco Systems, KLA-Tencor Corporation, Western Digital Technologies, Eplus Technologies, and Flex Ltd. Other key retailers include South Bay Honda, Piercy Toyota & Scion, Marshalls Stores, Nike, Home Depot, Walmart and Best Buy. Several of these top employers, such as KLA-Tencor, make Milpitas their corporate headquarters. The two largest non-manufacturing employers in Milpitas are The Great Mall and the Milpitas Unified School District.

Top Ten Sales Tax Generators by Economic Segment

The chart below provides a snapshot of the City's sales tax revenue by economic segment in the last four quarters. The total amount of sales tax revenue for the latest benchmark year was approximately \$21.55 million, with the top ten economic segments generating approximately \$18.22 million. The sales tax revenue generated from economic segments such as Restaurants, Apparel Stores, Building Materials-Wholesale, Auto Sales-New, Service Stations, Miscellaneous Retail, Department Stores, and Retail Building Materials increased over a year ago, while the Office Equipment and Electronic Equipment segments decreased.



Major Development Activities in the City

General Plan Update – Considered the blueprint for future development, the General Plan defines a long-term vision for future growth, traffic circulation, economic development, health, housing and resource conservation. The General Plan update process kicked off in late 2016, and has not seen a comprehensive update since it was adopted in 1994. The update to the Plan also targets land uses that may be outdated or insufficient, and identifies opportunity sites where changes to land uses and development patterns may be appropriate over the next 20 years. With input from the community, stakeholders, appointed and elected officials, the Plan update is anticipated to be completed in 2020, with an anticipated adoption by the City Council in mid-2020.

Transit Area Specific Plan – The City adopted a Transit Area Specific Plan in June 2008, and updated it in 2011, which provides for medium to high density development surrounding the future Montague/Capitol BART station and two VTA Light Rail Stations. The intent of the Plan is to foster economic development of the area, strengthen and expand retail uses to increase sales tax revenues, attract major retailers and provide housing and amenities such as parks, retail and restaurants. As of June 2019, the TASp has come very close to the residential unit cap imposed and requires an update. Staff and consultants are updating the Plan to address additional housing units, as well as minor changes to park locations and housing densities. The Plan update is expected to be complete by 2020.

Residential Development – An improving economy and high median home prices led to a heightened interest in residential developments. Outside of the Midtown and Transit Area, there are several residential developments that are either under construction or completed and occupied. These projects include a proposed single-family home development for 36 lots, including ten ADUs (Accessory Dwelling Units), at 1005 Park Victoria Drive, a new townhome development is under construction by KB Homes at 1210 California Circle, and various small-scale infill projects throughout the City.

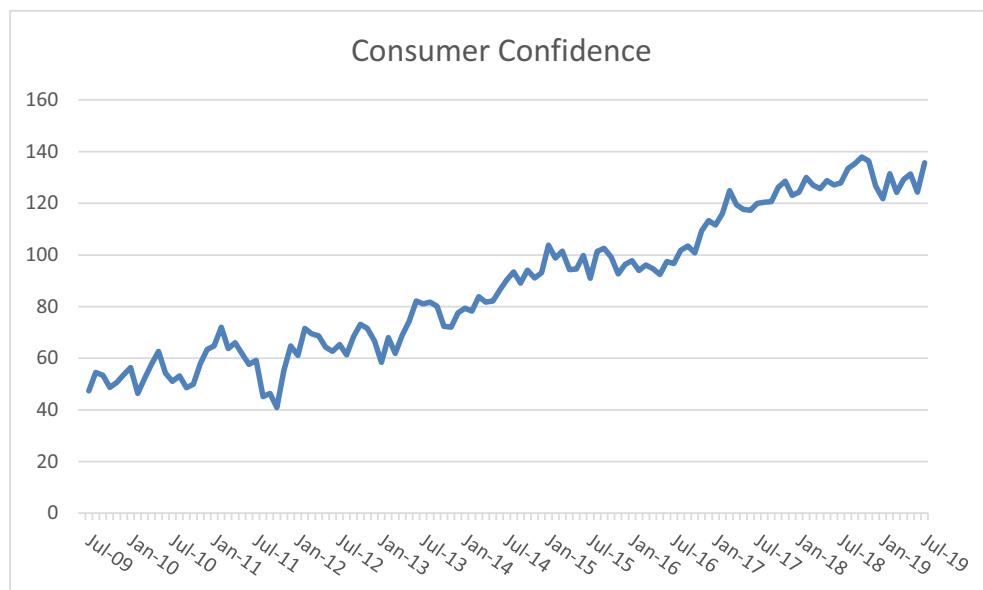
Non-residential Development – FY 2018-19 was a busy year for commercial development and expansion. Several projects were approved and are underway, including the Legoland Discovery Center at the Great Mall which is currently working on tenant improvements, KLA Tencor's new amenity building was approved, redevelopment and new buildings at Public Storage (1600 Watson Ct) were approved last year, a new Bingo facility (461 S. Milpitas Blvd) is underway, and various businesses throughout the City placed significant financial investments in tenant improvements of their buildings. Property owners of the former LifeScan campus and Tasman Tech Park invested in revamping their buildings and outdoor spaces in order to attract new tenants. Micron, a local company, has expanded at the Tasman Tech Park. For hotel projects and developments the following are either

under consideration or in various stages of development: the Element Hotel is under construction and the proposed AC hotel at Alder Drive and Barber Lane near Tasman will seek approval in the coming months, Home2Suites on California Circle is approved and under construction, La Quinta Hotel is proposed for 1000 Jacklin Rd and the proposed hotel at the District in the TASP.

Consumer Confidence Level Trends

Consumer confidence is an indicator designed to measure the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Since consumer spending accounts for about two-thirds of the U.S. Gross Domestic Product, the index is a good indicator that when consumers' confidence is high, consumers would likely make more purchases, thus further boosting the economy. When consumer confidence is low, consumers tend to save more and spend less.

In July 2019, the Consumer Confidence Index increased to 135.7. This was driven by consumers' optimistic current and prospective business and labor market conditions. This followed a sharp decline in June, which was driven by an escalation in trade and tariff tensions. Although the index remains at a high level, continued uncertainty could result in further volatility of the index and even begin to diminish consumers' confidence in the expansion.



Capital Improvements

The Capital Improvement Budget funding for FY 2019-20 by Project Category is as follows:

Project Category	Adopted Budget FY 19-20	Percentage of Total
Community Improvement Projects	\$9,184,000	14.70%
Park Projects	8,455,000	13.53%
Street Projects	6,977,415	11.17%
Water Projects	8,824,260	14.12%
Sewer Projects	28,540,050	45.67%
Storm Drain Projects	505,000	0.81%
TOTAL	\$62,485,725	100%

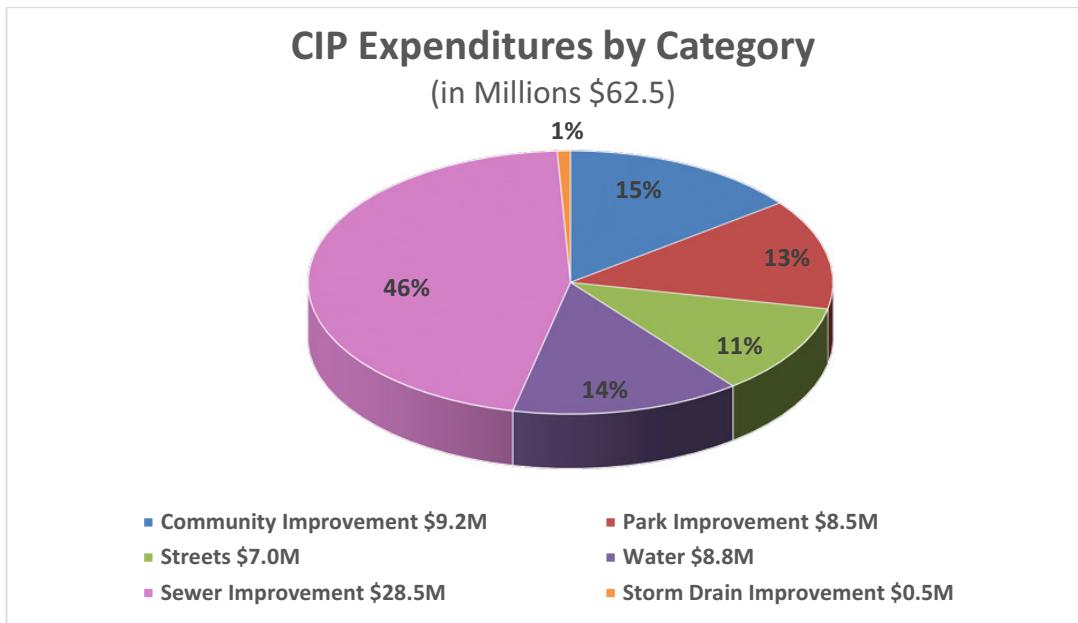
The City includes the cost of all acquisition, construction, expansion or rehabilitation of the City's physical plant and facilities in the Capital Improvement Budget. The total FY 2019-20 Capital Improvement Program (CIP) funding is \$18.6 million more than the FY 2018-19 CIP, primarily due to the SJ/SC Regional Waste Water Facility project budgeted at \$25.2 million for FY 2019-20.

Other noteworthy projects approved for funding in FY 2019-20 include Fire Station #2 Replacement; Street Resurfacing Project FY 2019-20; Well Upgrade Project; Parks and Recreation Master Plan Update; TASP (Transit Area Specific Plan) Linear Trails; Citywide Traffic Safety Assessment; Climate Action Plan Update; and Automated Meter Replacement Program.

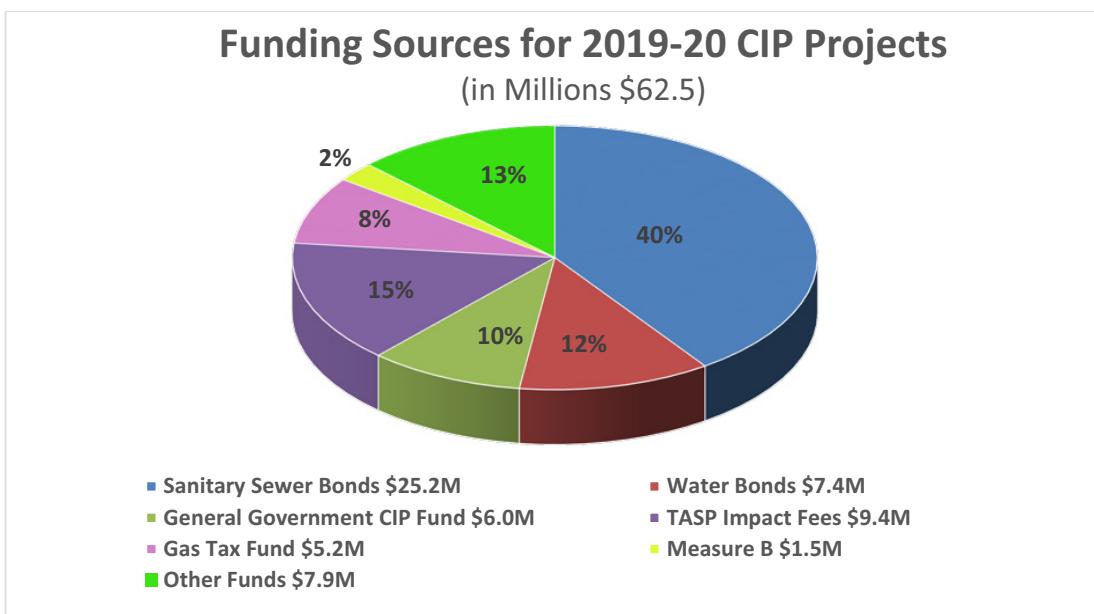
The Capital Improvement Budget was reviewed by the Planning Commission to determine its conformance with the City's General Plan. Park improvement projects for FY 2019-20 were also reviewed by the Parks, Recreation and Cultural Resources Commission.

The City is pleased to report the completion of some major improvements this past year, including Traffic Management Enhancements, Minor Traffic Improvements, and also keeping pace with the Annual Street Resurfacing and Sewer System Replacement projects.

The chart below provides an overview of the City's anticipated capital improvement projects by category in FY 2019-20:



The funding for FY 2019-20 capital improvement projects, as shown by the chart below, is primarily from Sewer Bonds, TASP Impact Fees, Water Bonds, General Government CIP, and Gas Tax:



Since the City's budget is an annual budget, the Budget only incorporates funding for FY 2019-20 capital improvement projects. It should also be noted that while staff prioritizes and anticipates the longer term funding needs for the next four years in the five year CIP, years 2021 through 2024 are shown only for planning purposes and are not funded at this time.

As noted above under *Citywide Budget Overview*, the Capital Budget Summary section of this document provides a summary of each project description grouped by project type and a FY 2019-2024 CIP Grand Summary of project expenses and funding sources. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2019-2024 prepared by the Engineering Department may be obtained at the Milpitas City Hall or the City's website.

AMENDMENTS TO FISCAL POLICIES AND SIGNATURE AUTHORITY

Changes to Fiscal Policies

It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures). With the significant levels of growth the City has experienced in the past year, each year's audited year end surplus funds will be allocated as follows (after all Contingency Reserve requirements are met), with the remaining funds being allocated (40%) to the Unassigned General Fund Reserve.

- a. 20% to the PERS Rate Stabilization Reserve
- b. 20% to the General Government Capital Improvement Fund
- c. 10% to the (Affordable) Housing Community Benefit Fund (Fund 216)
- d. 10% to Transportation/Transit

The annual set aside for artificial turf will also be reduced from \$250,000 to \$230,000.

Changes to Budget Guidelines

With the adoption of this budget the Council increased the City Manager's authority to amend and/or transfer appropriations from \$20,000 to \$100,000 to coincide and be consistent with his or her contract authority of \$100,000.

CONCLUSION

First and foremost, I would like to thank the City Council for your leadership and direction. With your guidance, Milpitas is poised to provide higher levels of service, in a more efficient and streamlined manner, that will increase the already high quality of life our residents have enjoyed.

To be successful, the annual budget development process must rely on broad and deep collaboration and communication at every step of the way by multiple stakeholders, both in the community and within our organization. I want to thank the community for the invaluable feedback through the citywide community survey, budget survey, community meetings and other input received in a variety of ways. We are fortunate to have an engaged community and we thank you for all your time and efforts.

I also thank our entire Executive Team for thoughtfully developing the FY 2019-20 Operating Budget and FY 2019-24 CIP Budget that support the Council Priority Areas, as well as our Finance and Engineering Departments for analyzing expenditures, estimating revenues necessary to balance costs, establishing an enhanced budget development process, and preparing extensive budget materials needed to make key informed decisions.

Together, a tremendous amount of work was put into the FY 2019-20 Budget and I want to extend my appreciation to each and every person that played a role into ensuring the budget reflects the needs of the community through the City Council Priority Areas in a strategic, balanced way. Milpitas is at the forefront of many regional issues, such as affordable housing, economic development and job growth and is a very exciting time. I believe that the year ahead will present many areas of opportunity for the City to continue to provide superior service that will be recognized by peers and enjoyed by those who visit, work and live in Milpitas.

Respectfully submitted,



Steven G. McHarris
Interim City Manager

General Fund Five-Year Forecast

The Five-year General Fund Forecast is included to allow the City Council and the community to assess the sustainability of City services in the long term. The projection also identifies the type of commitments and resource demands in the next five years and points out areas of both opportunity and risk as we navigate fiscal cycles. These long term forecasts provide an invaluable planning tool and are an indication of sound fiscal planning and strategy.

General Fund Five-Year Forecast (\$ in 000s)

	Adopted FY19-20	Projection FY20-21	Projection FY21-22	Projection FY22-23	Projection FY23-24	Projection FY24-25
REVENUES						
Property Taxes and RPTTF	34,807	35,589	36,242	37,301	38,473	39,627
Sales & Use Tax	27,200	27,718	28,491	29,293	30,089	30,858
Other Taxes	1,128	1,159	1,188	1,222	1,261	1,299
Franchise Fees	4,937	5,140	5,271	5,418	5,670	5,840
Hotel/Motel Tax	19,558	21,039	22,233	23,970	24,821	25,439
License & Permits	14,748	15,217	15,652	16,086	16,515	16,941
Fine & Forfeitures	502	506	511	516	521	526
Interest Income	1,267	1,305	1,331	1,358	1,392	1,434
Intergovernmental	1,446	937	633	494	499	504
Charges for Services	6,961	7,275	7,420	7,604	7,830	8,061
Other Revenues	241	241	241	241	241	241
Operating Transfers In	5,993	7,125	7,880	8,817	9,081	9,353
Total Revenues and Op Transfers In	118,788	123,251	127,093	132,320	136,393	140,123
EXPENDITURES						
Salaries	52,903	55,953	57,521	59,128	61,039	62,808
Benefits	39,069	41,667	44,096	44,733	46,197	47,740
Services & Supplies	22,522	22,657	23,401	23,753	24,638	25,231
Debt Service	100	1,000	1,000	1,000	1,000	1,000
Capital Outlay	183	188	192	196	201	207
Operating Transfers Out (ongoing)	800	800	800	800	800	800
Total Expenditures and Op Transfers Out	115,577	122,265	127,010	129,610	133,875	137,786
One-Time Transfers Out	6,000	-	-	-	-	-
Increase (Decrease) of Prior Year Reserves	(6,000)	-	-	-	-	-
Net (Use)/Funding of Reserves	0	0	0	0	0	0
Net Operating Results	3,211	986	83	2,710	2,518	2,337

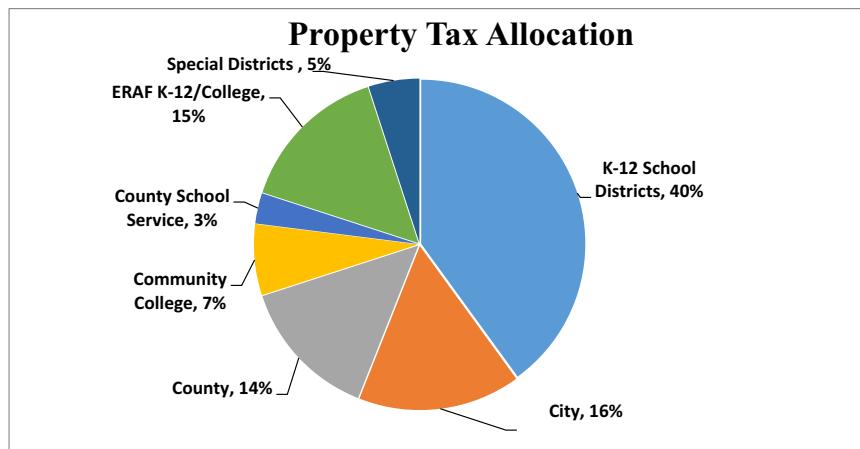
Revenues:

Property tax revenues are expected to be \$34.8 million in FY 19-20, an increase of 4.5%, or \$1.5 million compared to the FY 2018-19 amended revenue of \$33.3 million (an increase of 10.8% or \$3.4 million higher than FY 2018-19 adopted revenue estimates of \$31.4 million). This is based on information provided by the City's property tax consultant, with an average growth rate of 3.7% that is representative of the historical and predicted average rate of real property growth. Proposition 13 limits the base property tax rate to 1% of the assessed value and an annual increase of the assessed value at the lesser of 2% or the California consumer price index (CCPI). Based on a 10 years' average, staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will increase at a rate of 2 to 2.5% in each of the next five years and therefore the 2% limit of Proposition 13 will apply. Added assessed valuation from new housing and the reassessment of existing properties with change of ownerships are factored into the forecast. It should also be

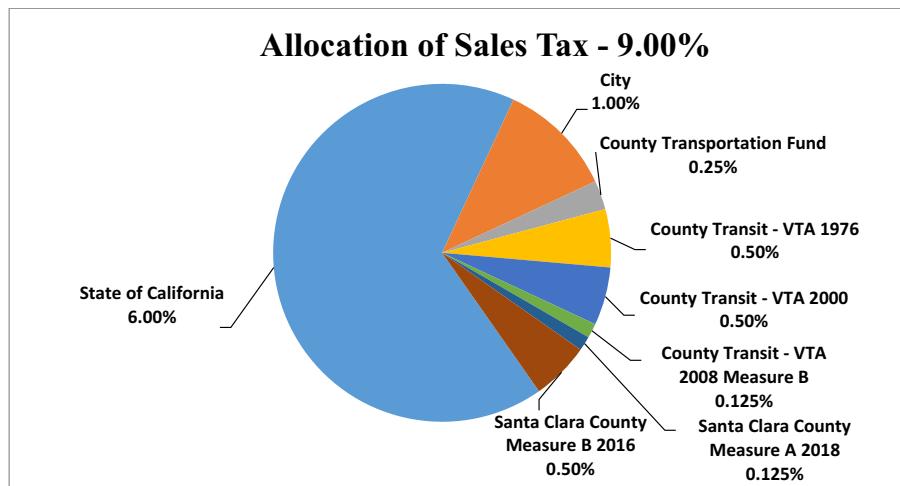
noted that the forecast includes a decrease in the excess ERAF (Educational Revenue Augmentation Fund) portion of property taxes for FY 20-21 and FY 21-22. The Excess ERAF formula for allocation to cities is based on various factors, mainly the countywide property tax growth, RDA assets sale, department of education's local control funding formula, school districts attendance rate, and special education charges. Recent years distribution were higher due to RDA assets sale, decrease in amount of special education, and lower growth in local school funding requirements. However, the County of Santa Clara does not foresee these recent increased growth trends in the future. Based on their recommendation, staff has lowered the City's projected ERAF distribution by 10% in FY 20-21, 15% in FY 21-22, and increased it by an average of 2.9% per year through FY 24-25. ERAF allocations to the City average \$1.7 million over the five-year forecast.

Allocation of Property Tax 1% Base Rate

The chart below shows the allocation of the property tax 1% base rate to all the taxing entities within the jurisdiction. The City's share is approximately 16% of the 1% base rate.



Sales tax revenues are projected to be \$27.2 million in FY 19-20, a decrease of 4.2% or \$1.2 million compared to FY 18-19 amended revenue of \$28.4 million (a decrease of 4.6% or \$1.3 million lower than FY 2018-19 adopted revenue estimates of \$28.5 million) due to downward business level adjustment from recent actuals trends. An annual average increase of 2.6% is projected from FY 20-21 through FY 24-25. The projected increase is based on estimates from the City's sales tax consultant using actual data from the fourth quarter in 2018 as the base. Sales tax revenues is in line with consumer price index and historical averages. The chart below shows the allocation of sales tax rate among the taxing jurisdictions. The City's share of the total sales tax rate is one percentage point.



Other Taxes include real estate transfer tax and business license tax. As residential units are being developed and occupied, it is anticipated that the City will collect more real estate transfer tax. The FY 19-20 estimated revenue from Other Taxes is \$1.13 million, an increase of 3.0% or \$33k compared to FY 18-19 amended revenue of \$1.09 million (a decrease of 13.6% or \$177k lower than FY 2018-19 adopted revenue estimates of \$1.3 million). An increase in the business license tax rate was originally anticipated in FY 18-19, but did not occur. As such, the estimated revenue was decreased during the FY 18-19 midyear budget report. Average annual increases of 2.9% are projected from FY 20-21 through FY 24-25.

Franchise Fees are a regulatory fee charged to utility companies for the privilege of doing business in the City of Milpitas (i.e.: garbage franchise fee, gas and electric franchise fee). The FY 19-20 estimated revenue from Franchise Fees is \$4.9 million, an increase of 3.7% or \$175k compared to FY 18-19 amended revenue estimates of \$4.8 million (an increase of 4.4% or \$206k higher than FY 2018-19 adopted revenue estimates of \$4.7 million). Franchise Fees are projected to increase an average of 3.4% over the five year forecast period. These increases include the rate adjustments in amendment no. 3 of the franchise agreement with Milpitas Sanitation, which was approved by Council on December 4, 2018. It is also assumed that utility and cable companies will increase their rates to offset cost increases.

Transient Occupancy Tax (TOT), or Hotel/Motel tax Revenues, are projected to increase due to anticipated new hotel openings projected to drive up demand, and the increase of the Transient Occupancy Tax (TOT) from 10% to 14% following a successful ballot measure (November 2018) effective January 3, 2019. The FY 19-20 estimated revenue from Hotel Taxes is \$19.6 million, an increase of 26.2% or \$4.1 million compared to FY 18-19 amended revenue estimates of \$15.5 million (an increase of 54.1% or \$6.9 million higher than FY 2018-19 adopted revenue estimates of \$12.7 million), as the first full year of the increased TOT tax rate of 14% begins. The projected increase in Hotel Taxes averages 5.4% annually in the five year forecast. The growth rate factors in 6 new hotels, 2 projected to begin operations in Summer and Fall of 2019, and the remaining 4 projected to begin later in the five-year forecast. The projection also includes staff's assumption that hotel operators will increase room price by the average consumer price index increase to recover costs. The anticipated increase in revenues from the new TOT rate of 14% have also been factored in over the five year forecast per estimates from the City's TOT consultant. Additionally, on April 30, 2019, a report to approve and authorize the City Manager to execute a voluntary agreement with Airbnb, Inc. for the collection of the City's Transient Occupancy Tax on residential short-term rentals was presented and subsequently approved by Council. City staff estimates that the additional transient occupancy tax collected and remitted through Airbnb, Inc. would be an approximately \$260,000 annually. This additional revenue has been incorporated into the FY 19-20 Budget and Five-Year Forecast.

Licenses and permits consist of building permits and fire permits which are primarily construction related. Because they follow the development economic cycle, they are highly volatile in times of economic change. It is projected that these revenues will continue to increase in the next five years due to continued interest in residential developments in the Transit Area. (The Milpitas Transit Area Specific Plan is a plan for the redevelopment of an approximately 437-acre area in the southern portion of the City that currently includes a number of industrial uses near the Great Mall shopping center and near the VTA light rail and new BART stations). It is estimated that Transit Area will add approximately 2,600 units in FY 19-20, with an additional 3,500 through FY 2022-23. Total anticipated units at buildout is approximately 6,000. The FY 19-20 estimated revenue from Licenses and Permits is \$14.7 million, an increase of 18.3% or \$2.3 million compared to FY 18-19 amended revenue estimates of \$12.5 million (an increase of 50.8% or \$5.0 million higher than FY 2018-19 adopted revenue estimates of \$9.8 million). This is primarily due to an increase in development activity throughout the City, and approved midyear additions to development staff that will reduce the backlog of reviewing and permitting development work. Additionally, this amount includes the recommendations from a Citywide Development Fee Study that was approved by Council as part of the Master Fee schedule on May 15, 2019. The total additional amount from the recommendations was estimated at \$2.3 million a year and has been incorporated in the FY 19-20 Budget and Five Year Forecast. Fees from Licenses and Permits are projected to increase an average of 2.8% over the five year forecast period.

Charges for Services are primarily user fees, including charges for private development related services, engineering fees and recreation service charges. The FY 19-20 estimated revenue from Charges for Services is \$6.9 million. It is projected to increase 4.3% or \$0.3 million in FY 19-20 compared to FY 18-19 amended revenue estimates of \$6.7 million (a decrease 6.6% or \$.05 million lower than FY 2018-19 adopted revenue estimates of \$7.5 million). The increase from the amended budget is from the updates in the Master Fee Schedule approved by Council on May 15, 2019, offset by an adjustment downward of actual billable staff time

to projects based on actual trends in the last two years. Charges for Services is projected to increase an average of 3% annually over the Five Year Forecast.

Operating Transfers In are mainly reimbursements from other funds for the staff support and administrative services provided by the General Fund. These costs are determined through a methodological allocation process (known as the Cost Allocation Plan, or CAP). Net transfers into the General Fund will increase in conjunction with operating expenditure increases, an average of 3% annually. Operating Transfers are projected to be \$6.0 million in FY 19-20, an increase of 14.1% or \$743k compared to FY 18-19 amended revenues estimates of \$5.2 million (a decrease of 5.7% or \$362k compared to FY 18-19 adopted revenues estimates of \$6.4 million). The increase from the FY 18-19 amended budget is due to additional revenues anticipated from the TASP (Transit Area Specific Plan) area. The decrease from the FY 18-19 adopted revenues is due to the decrease as a result of the new Cost Allocation Plan (CAP) methodology adopted by Council on October 2, 2018 that more accurately determined overhead costs. Transfers In includes the addition of 3,500 units in the TASP area through FY 22-23, with an average of 3% annual increase in transfers for the CAP.

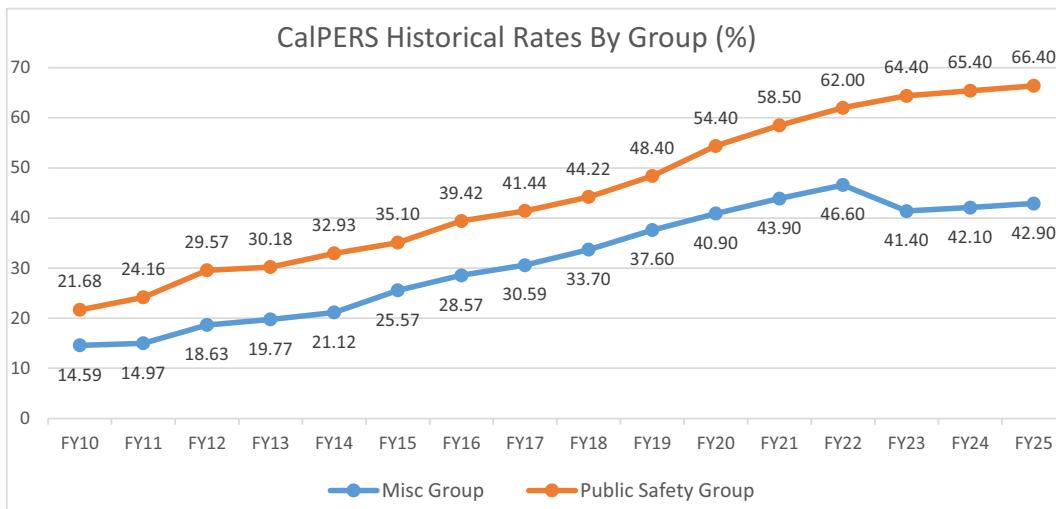
Expenditures:

Salaries and benefits Salaries and benefits overall are expected to equal \$92.0 million, an increase of 17.8% or \$13.9 million compared to FY 2018-19 amended expenditures of \$78 million (an increase of 11.3% or \$9.4 million higher than FY 2018-19 adopted expenditures of \$82.6) due to the addition of 24.75 new staff positions; wage increases per negotiated Memoranda of Understanding with the City's bargaining groups and unrepresented employees; increased employer contributions to pension plans; increased employee health benefits; and minor staffing reclassifications and reallocations. The incorporation of the revenues from the Master Fee Schedule will offset the following positions (including support services positions) including: Sr. Permit Center Analyst (reclass Plan Check Engineer), (1) Fire Protection Engineer, (1) Entry level Fire Inspector, and (1) Principal Planner. On the benefits side, health insurance premium is projected to increase from 8% annually and contribution to CalPERS is anticipated to be \$23.3 million in FY 19-20, an increase of 22.8% or \$4.4 million from the FY 18-19 amended budget of \$18.9 million (an increase of 24.2% or \$4.5 million from the FY 18-19 adopted budget of \$18.8 million). The CalPERS annual increase is estimated to be 7.47% in FY 20-21, 6.04% in FY 21-22, (1.28%) in FY 22-23, and 1.6% in FY 23-24, and 1.6% in FY 24-25, which represent a weighted average of miscellaneous and safety projected rates from the CalPERS Actuarial Reports (July 2018). The total benefits costs are projected to be \$39.1 million in FY 19-20, an increase of 15.9% or \$5.4 million from the FY 18-19 amended budget of \$33.7 million (an increase of 17.1% or \$5.7 million from the FY 18-19 adopted budget of \$33.4 million).

The projected rates are provided by CalPERS (July 2018 report) and are based on their latest actuarial studies. The FY 19-20 contribution rate was calculated by CalPERS using a 7.25% discount rate for FY 19-20. Beginning FY 20-21, the assumed investment return was lowered by CalPERS to 7.0%, which is expected to be a more realistic overall investment growth rate over time. It also represents a blended contribution rate that incorporates the PEPRA (California Public Employees' Pension Reform Act of 2013) benefit group. In the near future, staff will be presenting to Council a plan to address CalPERS costs associated with unfunded liabilities for prior years (defined below). Because the unfunded liabilities grow at a rate of 7% annually (CalPERS investment earnings rate assumption), it is to the City's financial advantage to pay down this long-term debt sooner than the 20-year payment that CalPERS builds into their rates. Also note, the large unfunded CalPERS pension liability is amortized over 20 years, and carries a 7% interest rate. While it is accounted for in salaries and benefits, pension liabilities are not unlike bonded debt service; they reflect a liability that has already been incurred for prior services by employees. The most recent estimate of the unfunded pension liability is \$182.3 million.

The chart below depicts historical employer CalPERS contribution rates from FY 06-07 through FY 19-20 and projected rates through FY 24-25, stated in percentages of salaries. CalPERS charges two basic rates (one for Safety and one for Non-Safety, or Miscellaneous employees) to the City to cost the cover of future benefits for each retiree from their expected retirement date through their remaining life. For example, the rate of 54.4% for FY 19-20 means that for every dollar spent on safety salaries, the City pays another \$0.544 towards pensions; for every dollar spent on non-safety employees (miscellaneous), the City spends another \$0.409 on pensions. It should be noted that the rates below represents a combined rate for both the employer normal cost and the

unfunded liability contribution, as a percentage of payroll. Normal cost is the percentage of payroll that is required to fully fund the annual cost of service for the upcoming fiscal year only for active employees. In the previous example of the 54.4% rate for safety salaries in FY 19-20, the normal cost is 19.318% of the 54.4%. The remaining 35.08% is the unfunded actuarial liability contribution (UAL). Unlike normal costs, UAL is funding that addresses past services that have not yet been fully paid for, i.e., police/recreation/public works employee services delivered in past years. The UAL is the amount that, with projected investment growth, will bring prior payments for services up to full funding needed. UAL occurs when there are changes to current plan benefits, when demographic assumptions change (retiree longevity), or if there is a change in the assumed rate of investment earnings over time. Another way of thinking about normal costs vs. UAL is that if Milpitas was a new city that had just incorporated, it would only be paying normal costs. That is because there would be no need to make up for prior years' funding that has failed to keep up with the needed investment target and granting unfunded benefits.



Services and Supplies costs are anticipated to be \$22.5 million in FY 19-20, an increase of 13.5% or \$2.7 million compared to FY 2018-19 amended expenditures of \$19.8 million (an increase of 17.1% or \$3.3 million higher than FY 2018-19 adopted expenditures of \$19.2 million). This increase is primarily in the areas of contractual services and maintenance for items including, but not limited to, parks maintenance, janitorial services, tree and streetscape maintenance, HVAC maintenance, and City Attorney services. This also includes approximately \$540k in funding for the Citywide Rate Assistance Program. An average annual increase of 2.3% is projected for the Five-Year forecast. There are also fluctuations of cost increase every other year due to election costs that are incurred by the City.

Debt Service the General Fund currently does not have any outstanding debt currently; however, the City is planning on issuing \$13.0 million in Spring 2020 to complete construction of Fire Station #2, as approved by the City Council in a budget study session in May. \$100,000 in debt service payments is budgeted in FY 19-20, and \$1.0 million annually is estimated for the remaining five year period. Use of debt could be an option in the future to fund critical capital infrastructure projects that have no other available funding source.

Operating Transfers Out consist primarily of transfers to the Capital Improvement Program (CIP), and the funding of the Information Technology Equipment Fund and Storm Drain Fund. Total transfers of \$6.8 million are proposed for FY 19-20. This includes one-time transfers of \$4.0 million to fund general government CIP needs and \$2.0 million to the Housing Community Benefit Fund. \$800k has been programmed annually in the Five-Year Forecast to the Equipment Fund (\$300k) and Storm Drain Fund (\$500k) per current Fiscal Policy guidelines.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Milpitas
California**

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Morrell

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished budget Presentation Award to City of Milpitas, California, for its Annual Budget for the fiscal year beginning July 1, 2018. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

California Society of Municipal Finance Officers

Certificate of Award

Excellence Award for Fiscal Year 2018-2019 Operating Budget

Presented to the

City of Milpitas

For meeting the criteria established to achieve the CSMFO Excellence Award for Budgeting.

December 19, 2018



Margaret Moggia

*Margaret Moggia
CSMFO President*

Sara J. Roush

*Sara Roush, Chair
Recognition Committee*

Dedicated Excellence in Municipal Financial Reporting

Budget Guidelines

The annual operating budget is the primary short-term financial plan for the City. The operating budget shall serve as the policy document of the City Council for implementing Council goals and objectives. It is used to set forth the City's estimates of resources available to fund services that are consistent with the Council's goals. Since no plan will prove to be an absolutely accurate reflection of future events, management must have sufficient flexibility to make adjustments during the year, provided these adjustments do not materially alter the general intent of the City Council when adopting the budget. These guidelines are intended to provide that flexibility and to establish adequate controls, through budget monitoring and periodic reporting, to ensure that the overall distribution of resources achieves the results contemplated by the City Council.

Annually, the City Council establishes priorities regarding service levels to provide guidance to management in preparing the recommended budget. Through its legislative authority, the Council approves and adopts the budget by resolution.

The City Manager is responsible for proposing to the City Council a balanced budget which is consistent with the Council's service level priorities and sound business practices. A Balanced Budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures. The City Manager is also responsible for establishing a system for the preparation, execution, and control of the budget which provides reasonable assurances that the intent of Council policies is met.

The Finance Director is responsible for coordinating the operating budget creation process on behalf of the City Manager, synchronizing the operating budget with the annual capital plan, developing a five-year forecast, establishing budget and fiscal policy, providing periodic budget status reports to the City Manager and the City Council, and developing internal monthly budget management reports for the Department Heads to facilitate control and compliance with the budget.

The Department Heads are responsible for assisting in the development of annual budgets and monitoring their respective budgets for compliance with the intent of Council priorities to insure that appropriations of the aggregate total of the department are not exceeded.

SUMMARY OF BUDGET GUIDELINES

1. Basis of Budgeting

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis. For all proprietary funds, revenues and expenditures are budgeted on an accrual basis.

2. Budget Calendar

A budget preparation calendar will be provided to the Department Heads and to the City Council at the beginning of the budget process each year. The calendar will set forth, at a minimum, dates for the following:

- a. Review of service level priorities by the City Council at an annual Planning Session.
- b. Review and update of the Master Fee Schedule
- c. Community Engagement and Outreach
- d. Engagement and Outreach for City employees
- e. Capital Improvement Projects Budget
- f. Presentation of the City Manager's proposed budget to the City Council, which shall be no later than the second week in June.

3. Form and Content of the City Manager's Proposed Budget

The City Manager's proposed budget, the Preliminary Budget and Financial Plan, shall be presented in a form which is sufficient to allow the City Council to determine and review:

- Provision of City Council priorities as established at the annual Planning Session;
- Projected revenues by major category; based on an updated Master Fee Schedule
- Operating expenditures by department or program, and by fund;
- Historical Staffing by Department/Office;
- Service levels;

- Performance Measures;
- Statements of objectives, goals, and accomplishments;
- Recommendations for policy changes and impact;
- Capital improvement appropriations by project;
- Comparison with the preceding year's actual results and current year's projected results will be provided for each category of revenue and expenditure shown in the budget;
- A description of the service levels to be provided under the proposed budget will be included;
- A statement of the services reduced or eliminated and the services improved or added, as compared to the current year, will be included;
- A schedule showing General Fund Revenue and Expenditure projection for the next five years.

4. Adoption of the Budget

The City Council will adopt the budget by resolution no later than June 30th of the previous fiscal year, setting forth the amount of appropriations and authority of the City Manager to administer the adopted budget. Unless otherwise directed, all the funds that are presented in the operating budget document are subject to appropriation.

5. Budget Authority of the City Manager

The City Manager shall have the authority to make revisions involving transfers from appropriated contingency reserves accounts less than or equal to the aggregate amount of amount adopted within the budget in any one fiscal year (\$1,100,000 in FY 2019-20, or 1% of total General Fund appropriations), provided that the Council is notified in writing of the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions.

Prior approval of the City Council is required for changes that:

- Increase the overall appropriation level within any one Fund.
- Transfer or reallocate appropriations between different Funds.
- Cause an increase or decrease in funded permanent personnel position counts in the adopted Budget.
- Cause the aggregate amount of contract change orders to exceed 15 percent of the contract amount and/or exceed prior approved appropriation levels for the subject contract.
- Cause transfers from appropriated contingent reserves account to exceed the aggregate amount of \$1,100,000 during the fiscal year.
- Result in changes not consistent with the purpose and intent of the Budget as adopted.
- Require an appropriation action from any unassigned fund balances

The City Manager shall have the authority to amend and/or transfer appropriations among departments and projects within any one fund, provided that the amount of the amended appropriation is \$100,000 or less. The City Manager shall have the authority to reasonably deviate from the budgeted personnel allocation schedule provided that at no time the number of permanent funded positions or personnel cost appropriations authorized by the City Council is exceeded. This authority allows the City Manager to add/delete positions or to move positions between departments to respond to organizational needs, as long as the number of permanent funded positions and the approved personnel cost appropriations remain the same.

6. Budget Amendments by the City Council

The City Council may from time to time approve expenditures and identify funding sources not provided for in the adopted budget including those expenditures funded through unassigned fund balances. These will take effect through the public agenda meeting process.

7. Budget Transfers and Modification Procedures

Procedures to implement budget transfers or budget modifications are detailed in Standard Operating Procedure No. 21-1, subject to any changes by the Budget Resolution.

8. Automatic Adjustments and Re-appropriations

Outstanding encumbrances at prior fiscal year-end will automatically be carried over to current year's budgets.

Unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budgets.

Incomplete multiple year project (capital improvement project) balances will automatically be appropriated.

Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of the fiscal year may be re-appropriated for continued use in the subsequent fiscal year. Furthermore, any outstanding contract and/or purchase order obligations (or encumbrances) remaining at the end of FY 2018-19 are subject to carry over into FY 2019-20. These also include capital project appropriation carryovers.

9. Budget Monitoring and Reporting

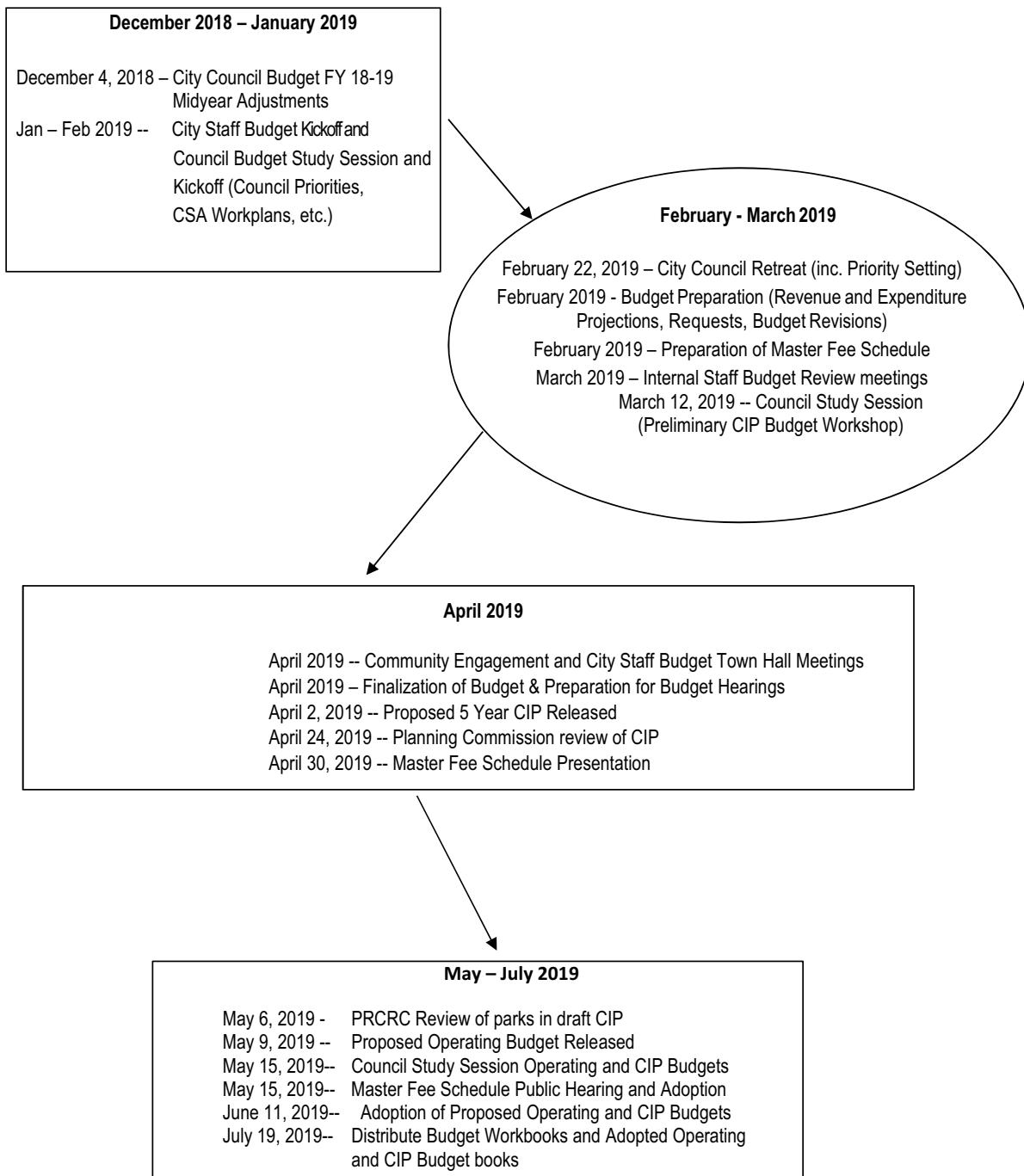
General Monthly Reports - The Director of Finance will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.

Quarterly Budget Reports - The Director of Finance will periodically prepare a budget status report for presentation to the City Council. At the minimum, the report shall include the status of the General Fund revenues and expenditures, and Water and Sewer utility fund revenues.

10. Reserves

Various unallocated reserves are desired in each of the City's funds to protect the City in emergencies, economic uncertainties, and to finance unforeseen opportunities and/or requirements. Key reserve policies for various funds are described in detail in the document entitled "City of Milpitas Fiscal Policies".

City of Milpitas
FY 2019-2020 Budget Process



CITY OF MILPITAS**Key Dates for FY 2019-20 Operating
Budget and FY 2019-24 CIP Budget
Process**

Id#	DATE	Event/Milestone	TASK	RESPONSIBILITY
1	12/4/18	Council Meeting	Midyear Adjustments and Presentation of budget development timeline	Budget Team, Department Directors and/or Budget Liaisons
2	1/29/19	Council Study Session	Validate Council priorities, present citywide staffing analysis, discuss service levels and performance measures, discuss CSA work plans, discuss approach for fees and charges, discuss external financing options	City Management, Budget Team/Consultant, Department Directors, City Council
3	Feb 2019	Community Engagement	Online community engagement including a telephone survey	Budget Team/PIO/City Management
4	2/19/19	Council Meeting	Phase II Mid-Year Budget Adjustments and Updated 5-Year Forecast	CM/ACM, Budget Team and Senior Management, City Council
5	2/22/19	Council Retreat	Review of Accomplishments, Priorities, and Projects	City Management, City Council
6	3/5/19	Council Meeting	Present results of community engagement	Budget Team, Department Directors and Budget Liaisons
7	3/12/19	Council Study Session	Discuss proposed 5 year CIP	CIP Staff, City Management, City Council
8	3/19/19	Council Meeting	Present Police department staffing analysis	Budget Team, Consultant, City Management, City Council
9	3/19/19	Council Meeting	Review draft Development Fee Study	Consultant, City Management, City Council
10	April 2019	Community/City Staff Engagement	In person community engagement meeting and City staff Budget Town Hall meetings	Budget Team/PIO/City Management
11	4/2/19	CIP	Proposed 5 Year CIP Released	CIP Staff and Senior Management
12	4/16/19	Council Meeting	Discuss Fire department staffing analysis	Consultant, City Management, City Council
13	4/16/19	Council Meeting	Receive draft Evaluation of the Development Review Process and draft on the Development Review Cost of Services Study	Consultant, CIP Staff, City Management, City Council
14	4/24/19	Planning Commission Meeting	Review of draft CIP for General Plan Conformance	CIP Staff
15	4/30/19	Council Meeting	Development Fee Study and Master Fee Schedule Presentation	Budget Team, Consultant, City Management, City Council
16	5/1/19	Operating Budget	GANN Limit Factors released	Budget Team

CITY OF MILPITAS

**KEY DATES for FY 2019-20
Operating Budget and FY 2020-24
CIP Budget Process (continued)**

Id#	DATE	Event/Milestone	TASK	RESPONSIBILITY
17	5/6/19	PRCRC (Parks, Recreations, and Cultural Resources Commission) Meeting	Review of parks in draft CIP	CIP staff
18	5/9/19	Operating Budget	Draft Operating Budget Released	Budget Team/PIO
19	5/15/19	Council Study Session	Discuss Draft Operating and CIP Budgets	Budget Team, CIP Staff, Senior Management, City Council
20	5/15/19	Council Study Session	Adoption of Master Fee Schedule	Consultant, City Management, City Council
21	6/11/19	Council Meeting	Adoption of Proposed Operating and CIP Budgets	Budget Team, Senior Management, CIP Staff, City Council

Fiscal Policies

GENERAL FINANCIAL GOALS

1. To maintain a financially viable City that can maintain an adequate level of municipal services.
2. To maintain financial flexibility in order to be able to continually adapt to local and regional economic change.
3. To maintain and enhance the sound fiscal condition of the City.

OPERATING BUDGET POLICIES

4. The City will adopt a balanced budget by June 30th of each year.
5. An annual base operating budget will be developed by accurately and realistically projecting revenues and expenditures for the current and forthcoming fiscal year.
6. During the annual budget development process, the existing base budget will be thoroughly examined to assure cost effectiveness of the services or programs provided.
7. Once the budget has been adopted, revenues and expenditures will be tracked closely and adjustments made at Mid-Year, as needed.
8. Annual operating budgets will include the cost of operations of new capital projects.
9. The City will avoid balancing the current budget at the expense of future budgets, unless the use of reserves is expressly authorized by the City Council.
10. The City's operating budget will be prepared on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase and capital project expenditures are budgeted on a project length basis.

REVENUE POLICIES

11. The City will try to maintain a diversified and stable revenue system to avoid over-reliance on any one revenue source.
12. Revenue estimates are to be accurate and realistic, sensitive to both local and regional economic conditions.
13. The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis as appropriate.
14. User fees will be reviewed annually for potential adjustments to recover the full cost of services provided, except when the City Council determines that a subsidy is in the public interest.
15. The City will actively pursue federal, state, and other grant opportunities when deemed appropriate. Before accepting any grant, the City will thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.
16. One-time revenues will be used for one-time expenditures only, including capital outlay and reserves.

EXPENDITURE POLICIES

17. The City will maintain levels of service, as determined by the City Council, to provide for the public well-being and safety of the residents of the community.

18. Employee benefits and salaries will be maintained at competitive levels.
19. Fixed assets will be maintained and replaced as necessary, minimizing deferred maintenance.
20. The City will develop and use technology and productivity enhancements that are cost effective in reducing or avoiding increased personnel costs.

UTILITY RATES AND FEES

21. Water and sewer utility customer rates and fees will be reviewed annually as part of the budget process, and adjusted as needed to ensure full cost recovery.
22. All utility enterprise funds will be operated in a manner similar to private enterprise. As such, the City will set fees and user charges for each utility fund at a level that fully supports the total direct and indirect cost of the activity, including depreciation of assets, overhead charges, and reserves for unanticipated expenses and capital projects.

CAPITAL BUDGET POLICIES

23. The City will develop an annual Five-year Capital Improvement Program (CIP) which is designed to develop and maintain infrastructure to support existing residences and businesses and future anticipated development.
24. The CIP will identify the estimated full cost of each project which includes administration, design, development and implementation, and operating costs once the projects are completed.
25. The CIP will identify potential funding sources for each proposed capital project, prior to submitting proposed projects to the City Council for approval. When appropriate, the CIP will seek other funding sources such as State and Federal funds, private funds and leverage these funding sources with public money to help meet the highest priority community needs.
26. The funding for the first year of the Five-Year CIP will be legally appropriated as a component of the annual operating budget. Funding for future projects identified in the five year CIP has not been secured or legally authorized and is therefore subject to change.
27. Each CIP project will be assigned to a Project Manager whose responsibilities are to monitor all phases of the project to ensure timely completion of the project and compliance with the project budget and all regulations and laws.

DEBT POLICIES

28. The City will limit long-term debt to only those capital improvements or long-term liabilities that cannot be financed from current revenue sources.
29. The City will utilize debt financing for projects which have a useful life that can reasonably be expected to exceed the period of debt service for the project.
30. The City will protect and maintain the City's general credit rating of "AAA".
31. The City may utilize inter-fund loans rather than outside debt to meet short-term cash flow needs.

RESERVE POLICIES

32. The City will fund the following reserves as follows with any General Fund audited year end operating surplus after all Contingency Reserve requirements are met, with the remaining (40%) to the Unassigned General Fund Reserve.
 - a. 20% to the PERS Rate Stabilization Reserve (see Policy #36 below)
 - b. 20% to the General Government Capital Improvement Fund (see #48 below)
 - c. 10% to the Housing Community Benefit Fund (Fund 216)
 - d. 10% to Transportation/Transit

33. The City will periodically review and update reserve guidelines, to ensure that the City has sufficient reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
34. The City will maintain a Contingency Reserve of at least 16.67% (two months) of the annual operating expenditures in the General Fund to be used only in the case of dire need as a result of physical or financial emergencies and disasters as determined by the City Council.
35. The City will maintain in the General Fund a Budget Stabilization Reserve with a target of 8.33% (one month) of annual operating expenditures in the General Fund. The purpose of this reserve is to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budget resources in any given fiscal year. This reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. Any use of the General Fund Budget Stabilization Reserve shall require majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may occur also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.
36. The City will maintain in the General Fund or in a Section 115 Trust a Public Employees Retirement (PERS) Rate Stabilization Reserve to be funded by 20% of any General Fund annual operating surpluses after General Fund Contingency Reserve requirements have been met. The City may use the Reserve to fund either the Annual Required Contribution (ARC) amount in lieu of a contribution amount derived from a percentage of salary, pay down unfunded pension liabilities with CalPERS, or reduce the length of pension cost amortization schedules with CalPERS. Any savings or additional costs resulting from the funding methodologies shall be adjusted from the PERS Rate Stabilization Reserve. This reserve may also be drawn on if the required employer contribution rates exceed previous year's contribution rates by more than 3% of payroll. In this instance, the City Council must approve utilization of this reserve at the time of the budget hearing.
37. The City will maintain a Storm Drain replacement reserve to replace and repair storm drain infrastructure. The City will endeavor to set-aside \$500,000 annually from the General Fund reserve for this purpose.
38. The City will maintain a retiree medical benefits account established by an irrevocable trust and fund the required contribution annually.
39. Other reserves assigned to investment portfolio market gain, and uninsured claims payable will be calculated and adjusted annually at appropriate levels.
40. The City will maintain working capital in the Water and Sewer utility enterprise funds to provide for future capital projects and unanticipated emergencies, such as water main break repairs, pump station repairs. The City will attempt to maintain a working capital reserve of approximately 30% of the annual operating and maintenance expenses for Water utility fund and 25% of the annual operating and maintenance expenses for Sewer utility fund.
41. In addition, the City will maintain Infrastructure Replacement funds for both Water and Sewer utilities. The goal is to accumulate at least \$2 million a year from each utility fund to set-aside for replacement of infrastructure as the infrastructure reaches the end of its useful life.
42. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
43. The City will maintain a capital reserve in an Equipment Replacement fund, set up as an internal service fund, to enable the timely replacement of vehicles and depreciable equipment as cost. The City will maintain a minimum fund balance of at least 30% of the replacement costs for equipment accounted for in this fund.
44. The City will maintain a capital reserve for Technology Replacement with a target of \$5 million and an annual set-aside amount of at least \$300,000. This reserve shall be used to accrue funding for technology projects such as the major rehabilitation or replacement of the City's technology infrastructure or new technology initiatives. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve

may also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.

45. The City will maintain a capital reserve for Facilities Replacement with a target of \$10 million. This reserve shall be used to accrue funding for major rehabilitation or replacement of City facilities (buildings/structures). Eligible uses of this reserve may include both the direct funding of public facility improvements and the servicing of related debt. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.
46. The City will maintain a capital reserve for Artificial Turf Replacement with a target of \$2 million and an annual set-aside amount of at least \$230,000 until the target is reached. This reserve shall be used to accrue funding for the normal depreciation expense of the City's artificial turf fields over their useful life. Eligible uses of this reserve may include the replacement of the City's artificial turf fields so as to eliminate large spikes in capital expenses and normalize annual costs. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.
47. The City may direct any loan repayments from the former Redevelopment Agency and residual property tax distributions from the Redevelopment Property Tax Trust Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
48. The City may direct 20% of any General Fund audited year end operating surplus after General Fund Contingency reserve requirements have been met to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.

INVESTMENT POLICIES

49. The Finance Director/City Treasurer will annually render an investment policy for City Council's review and modification as appropriate. The review will take place at a public meeting and the policy shall be adopted by resolution of the City Council.
50. City funds and investment portfolio will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order.
51. Reports on the City's investment portfolio and cash position shall be developed by the Finance Director/City Treasurer and reviewed by the City Council quarterly.
52. Generally Accepted Accounting Principles required that differences between the costs of the investment portfolio and the fair value of the securities be recognized as income or losses in a government's annual financial report. These variances shall not be considered as budgetary resources or uses of resources unless the securities are sold before maturity or the values of the investments are permanently impaired.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

53. The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
54. An annual audit will be performed by an independent public accounting firm with the subsequent issuance of a Comprehensive Annual Financial Report, within six months of the close of the previous fiscal year.
55. Quarterly financial reports and status reports will be submitted to the City Council at the end of each quarter and be made available to the public. The report will provide an analysis of budgeted versus actual revenues and expenditures, on a year-to-date basis. At the minimum, the report shall include the status of the General Fund revenues and expenditures, and Water and Sewer utility fund revenues.

RESOLUTION NO. 8880 / HA29**A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AND THE HOUSING AUTHORITY COMMISSION OF THE CITY OF MILPITAS APPROVING THE 2019-2024 CAPITAL IMPROVEMENT PROGRAM, THE OPERATING BUDGET FOR THE CITY OF MILPITAS, AND THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019-20**

WHEREAS, the City Manager has submitted a FY 2019-20 Proposed Budget and Financial Plan; and

WHEREAS, on June 4, 2019, a public hearing on the Proposed Budget and Financial Plan was opened and immediately continued to June 11, 2019 where all interested persons were heard; and

WHEREAS, the City Council and Milpitas Housing Authority Commission (“Authority”) reviewed the City Manager’s FY 2019-20 Proposed Budget and Financial Plan; and

WHEREAS, the City Council has reviewed the 2019-2024 Capital Improvement Program (“CIP”) and the first year, or 2019-2020 Capital Budget; and

WHEREAS, the first year, or FY 2019-20, of the CIP is a part of the 2019-20 Proposed Budget and Financial Plan; and

WHEREAS, Article XIIIIB, Section 1, of the Constitution of the State of California requires that total annual appropriations subject to limitation of the City of Milpitas shall not exceed the appropriations limit of the City for the prior year adjusted for changes in the cost of living and population except as otherwise provided, also referred to as the Gann Appropriations Limit; and

WHEREAS, this Article became effective July 1, 1980, as amended, which requires the City to establish its appropriations limit by resolution each year at a regularly scheduled meeting or a noticed special meeting, commencing after the beginning of each fiscal year; and

WHEREAS, the appropriations base for 1978-79 had been determined and since adjusted by the changes in population, cost of living, and transfers of financial responsibility, establishing an appropriations limit for fiscal year 2019-2020 of \$106,818,595; and

WHEREAS, the calculations for the appropriations limit are included as part of the budget document materials being considered and approved by the City Council as part of this Resolution; and

WHEREAS, documentation used in determining the appropriations limit has been made available to the public for a period of not less than fifteen (15) days prior to City Council consideration of this Resolution; and

WHEREAS, the budget document contains fiscal policies that the City Council has reviewed and approved and which are updated from time to time, as follows: General Financial Goals, Operating Budget Policies, Revenue and Expenditure Policies, Utility Rates and Fees, Capital Budget Policies, Debt Policies, Investment Policies, and Accounting/Auditing and Financial Reporting Policies.

NOW, THEREFORE, the City Council of the City of Milpitas and the Milpitas Housing Authority Commission hereby find, determine, and resolve as follows:

1. The City Council and Authority have considered the full record before them, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to them. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council hereby approves and adopts the 2019-2024 Capital Improvement Program, as included in the City Council meeting agenda packet and totaling \$429,307,926 over the five-year period and \$62,485,725 in fiscal year 2019-20.
3. The annual Budget and Financial Plan, as attached in the City Council meeting packet, inclusive of capital improvement appropriations, for the City of Milpitas for fiscal year 2019-20 is hereby affirmed and adopted totaling \$247,859,511 for all appropriated funds.
4. The amounts shown as "Appropriations" and estimated fund balances are hereby approved for the various purposes designated in the 2019-2020 Final Budget.
5. The budgets for all departments for the period July 1, 2019 through June 30, 2020, inclusive, contained in this 2019-20 Final Budget, are approved as the operating budget for those departments for fiscal 2019-20. Department names have been modified in some cases for this budget presentation, and will be modified in the City's Municipal Code at a later time.
6. The appropriations limit for fiscal year 2019-2020 shall be \$106,818,595 as set forth as shown in the budget document materials presented herein.
7. Pursuant to Government Code Section 7910, no judicial action or proceeding to attack, review, set aside, void, or annul the action of the City Council in establishing the appropriations limit for fiscal year 2019-2020 shall be brought unless such action or proceeding shall have been commenced within forty-five (45) days of the date of adoption of this Resolution.
8. Any unused non-salary and benefits-related appropriations at the end of fiscal 2018-2019 may be re-appropriated for continued use in fiscal year 2019-20 subject to the approval of the City Manager. Furthermore, any outstanding contract and/or purchase order obligations (or encumbrances) remaining at the end of FY 2018-2019 are subject to carry-over into FY 2019-20.
9. No office, department, or agency shall expend any amount or incur any liability or enter into any contract, which by its terms involves expenditures of money for any purpose in excess of the amounts appropriated for the particular departments, and funds set forth herein.
10. The City Manager may authorize, when in his or her judgment such action is consistent with the purposes and intent of the 2019-2020 Final Budget as adopted, budget revisions subject to the following conditions:

Prior Council Approval Not Required. Prior approval of the City Council is not required under the following circumstances:

- i. When revisions involve transfers from appropriated contingency accounts less than or equal to the aggregate amount adopted within the budget in any one fiscal year (\$1,100,000 in FY 2019-20), provided that the Council is notified in writing of the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions.

- ii. When revisions involve transfers from the appropriated leave cash-out account less than or equal to the aggregate amount adopted within the budget in any one fiscal year (\$700,000 in FY 2019-20) to the various departments for cash-outs when employees leave City service.
- iii. When revisions involve transfers, or reallocations, within any one fund among the various departments or projects, provided that the amount of transfer in any single instance does not exceed \$100,000.
- iv. When revisions involve reasonable deviation from the budgeted personnel allocation schedule, provided that at no time the number of permanent funded positions authorized by the City Council is exceeded.
- v. To allocate, redistribute and/or appropriate monies between department and non-department divisions so as to reflect budgetary savings in one or more departments.
- vi. For Police goods and services to be purchased from Asset Seizure funds, the City Manager or his/her designee, has the authority to purchase such goods or services if the expenditures of such goods and services do not exceed the amount designated from Asset Seizure funds as approved by the City Council during the Budget hearing.
- vii. To use judgment to modify citywide administrative financial policies and procedures from time to time that are consistent with municipal government best practices unless those policies would otherwise be in conflict with the budget provisions incorporated in this Resolution or the City's Municipal Code.
- viii. Attachment 1 lists contracts that are specifically identified in the budget document and materials enclosed herein. None of these contracts require a formal, public bidding process; they may be entered into and executed by the City Manager during fiscal year 2019-20 in up to the amounts listed by contract.
- ix. The City Manager shall have the authority to reasonably deviate from the budgeted personnel allocation schedule provided that at no time will the number of permanent, full-time employees or personnel cost appropriations authorized by the City Council be exceeded.

11. Prior Council Approval Required. Prior approval of the City Council is required for revisions to the 2019-2020 Final Budget as adopted if any of the following are involved:

- i. An increase in overall appropriation level within any one Fund.
- ii. The transfers or reallocation of appropriations greater than \$100,000 between different Funds, except not for reallocations between subfunds within one Fund.
- iii. Changes providing for increases or decreases in funded permanent personnel counts in the adopted Budget.
- iv. Contract change orders which would cause the aggregate contract amount to exceed \$100,000 and/or exceed prior approved appropriation levels for the subject contract.

v. Transfers from appropriated contingent reserves account, which would cause the aggregate amount of \$1,100,000 during fiscal year 2019-20, to be exceeded.

12. Information establishing the current budget situation and steps to be taken to present balanced City Budgets have been presented during the public hearing opened on June 4, 2019 and at the continued public hearing of June 11, 2019, and in prior budget presentations.

13. The approval of the 2019-20 Final Budget does not commit the City to any action that may have significant effect on the environment. As a result, there is no potential impact on the environment from this action per Section 15061(b) (3) of the California Environmental Quality Act ("CEQA") Guidelines and this action does not constitute a project under CEQA per CEQA Guidelines Section 15378(b)(4).

PASSED AND ADOPTED this 11th day of June 2019, by the following vote:

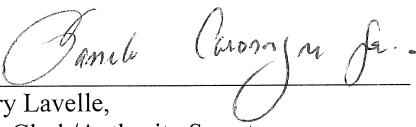
AYES: (5) Mayor Tran, Vice Mayor Dominguez, Councilmembers Montano, Nuñez, and Phan

NOES: (0) None

ABSENT: (0) None

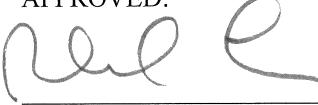
ABSTAIN: (0) None

ATTEST:



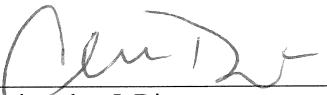
Mary Lavelle,
City Clerk/Authority Secretary

APPROVED:



Rich Tran, Mayor/Chair

APPROVED AS TO FORM:



Christopher J. Diaz,
City Attorney/Authority Counsel

Budget Adoption Resolution, Attachment 1

FY 2019-2020 Budgeted Contracts over \$100,000

	Contract Description	Est. Amount
I. Building and Housing: LifeMoves	Shelter repairs and services	\$136,677 from CDBG for shelter repairs/capital projects. \$75,000 from Housing Authority Fund for services (residential service coordinator/case manager). The entire scope can be covered under one contract.
II. Recreation Moon Chef	Sr. Nutrition Program meals	\$34,000 per year; \$204,000 (total for 6 years)
III. Police County of Santa Clara Cal ID	Crime Lab Fingerprint services	\$229,000-General Fund \$122,000-General Fund
IV. Finance Professional Services Professional Services	Investment Advisor Services/Portfolio Management Update of Finance SOPs	\$150,000 General Fund \$150,000 General Fund
V. Information Technology		\$175,000 General Fund & \$25,000 Water Fund & \$25,000 Sewer Fund
Software Maintenance	Cayenta	
VI. Human Resources York Brown & Brown	Third Party Administrator for Worker's Comp Excess Insurance	\$133,900 General Fund \$180,000 General Fund
VII. Engineering (CIP/Design Related) (CIP Related)		
CIP Category	CIP No./Name	
Comm Imprv	CP3418 - City Std Details, Guidelines CP3447 - Fire Station #2 Replacement- Swinerton Contract-Ph II	\$180,000 \$1,200,000
Comm Imprv	NEW - Parks & Recreation Master Plan Update	\$525,000
Park Improvements	NEW - Citywide Traffic Modeling	\$390,000
Street Imp	NEW - Citywide Traffic Safety Assessment	\$390,000
Street Imp	New - Costa Street Plan Line Study	\$100,000
Street Imp	New Feasibility of POCs at VTA LRP	\$180,000
Water Imp	CP 7076 - Well Upgrade Project	\$400,000
Sewer Imp	CP6131 - Sanitary Sewer Cathodic Protection Imp	\$350,000
Street Imp	CP2001 - Light Rail Median Landscaping	\$400,000
Comm Imprv	Infrastructure Report	\$250,000
Comm Imprv	GIS Consulting Services	\$250,000

RESOLUTION NO. 8881**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING
RESOLUTION NO. 1626, THE CLASSIFICATION PLAN, TO ESTABLISH NEW
CLASSIFICATIONS AND THEIR SALARY RANGES, AUTHORIZE ADDITIONAL
POSITIONS, ADJUST SALARY RANGES, RETITLE CLASSIFICATIONS AND AMEND
BUDGETED, ALLOCATED POSITIONS**

WHEREAS, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been amended from time to time, and which is in accordance with the Personnel Rules and Regulations of the City of Milpitas (Resolution No. 792 as amended); and

WHEREAS, amendments to the Classification Plan are necessary to account for changes within the organization, transfer of duties, new job responsibilities, and adjustments to salary ranges; and

WHEREAS, the annual mid-year budget process necessitates changes in position authorizations that result from modifications made to the Classification Plan.

NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Resolution No. 1626, as amended, is hereby amended effective July 7, 2019 as set forth below. The proposed salary ranges listed below for classifications within the Mid Management Confidential Unit and the Professional Technical Group Memorandums of Understanding, as well as those within the Unrepresented Group, do not include any potential cost of living adjustment increases. If any of the before-mentioned groups or classifications receive a cost of living adjustment separate from the adoption of the 2019-20 budget, that same percentage amount and effective date will be applied accordingly per those agreements to the below listed classification salary ranges by further Resolution.

A. ESTABLISH NEW CLASSIFICATIONS WITH THE FOLLOWING TITLES AND SALARY RANGES:

<u>Title</u>	<u>Proposed Salary Range</u>
Senior Special Projects Associate (Temporary)	\$50.00 - \$125.00 per hour
Fitness Instructor (Temporary)	\$35.00 - \$75.00 per hour
Employee Relations Officer (Regular)	\$119,480.14 to \$167,271.78
Senior Executive Assistant (Regular)	\$84,965.66 to \$111,834.32
Environmental Inspector (Regular)	\$94,953.30 to \$115,415.82
Entry Level Fire Inspector (Regular)	\$81,388.08 to \$98,027.71
Management Analyst (Regular)	\$102,000.00 to \$142,831.04
Geographic Information Systems (GIS) Technician (Regular)	\$93,178.02 to \$113,259.71
Principal Planner (Regular)	\$125,500.00 to \$152,000.00
Finance Manager (Regular)	\$111,118.00 to \$155,566.02

B. AUTHORIZE THE FOLLOWING POSITIONS:

Two (2) FTE Junior/Assistant Engineers in the Engineering Department
One (1) FTE Administrative Assistant in the Finance Department
One (1) FTE Finance Manager in the Finance Department
One (1) FTE Executive Assistant in the Fire Department
One (1) FTE Entry Level Fire Inspector in the Fire Department
One (1) FTE Fire Protection Engineer in the Fire Department
One (1) FTE Geographic Information Systems (GIS) Technician I in the Engineering Department
One (1) FTE Employee Relations Officer in the Human Resources Department
One (1) FTE Information Systems Analyst in the Information Systems Department
Three (3) FTE additional Police Officers in the Police Department
One (1) FTE Management Analyst in the Police Department
Two (2) additional FTE Community Service Officers in the Police Department
One (1) additional FTE Communications Dispatcher in the Police Department
One (1) FTE Principal Planner in the Planning Department
One (1) FTE additional Maintenance Worker III in the Public Works Department
One (1) FTE additional Senior Administrative Analyst in the Public Works Department
One (1) FTE Environmental Inspector in the Public Works Department
One (1) FTE Equipment Maintenance Worker II in the Public Works Department
One (1) FTE additional Public Services Assistant I in the Recreation and Community Services Department
One (1) FTE additional Recreational Assistant II in the Recreation and Community Services Department
One .75 FTE additional Office Assistant in the Recreation and Community Services Department
Two (2) FTE Limited Service Employees for use city wide

C. ADJUST THE SALARY RANGES FOR THE FOLLOWING CLASSIFICATIONS:

<u>Title</u>	<u>Existing Range</u>	<u>Proposed Range</u>
Recreation Supervisor:	\$87,266.40 to \$114,853	\$95,993.04 to \$126,339.35
Senior Information Analyst/Developer:	\$95,000.10 to \$117,800.02	\$102,560.00 to \$135,000.00
Housing and Neighborhood Services Manager:	\$126,447.88 to \$164,155.68	\$98,640.88 to \$129,846.34

D. ESTABLISH THE FOLLOWING CLASSIFICATION TITLE CHANGES:

Retitle Information Services Technician to Information Technology Technician
Retitle Information Services Manager to Information Technology Manager
Retitle Information Services Director to Information Technology Director
Retitle Director of Financial Services to Finance Director

E. AMEND THE FOLLOWING BUDGETED ALLOCATED POSITIONS:

Delete one (1) FTE Case Manager and authorize one (1) FTE Program Coordinator in the Recreation and Community Services Department
Delete one (1) FTE Executive Assistant and authorize one (1) FTE Senior Executive Assistant in the City Manager's Office

Delete one (1) FTE Electrical Building Inspector and authorize one (1) FTE Senior Building Inspector in the Building and Housing Department
Delete one (1) FTE Plan Check Engineer and authorize one (1) FTE Senior Administrative Analyst in the Building and Housing Department
Delete one (1) FTE Accounting Technician II and authorize one (1) FTE Junior Accountant in the Finance Department

3. The City Council directs the Human Resources Director to create job descriptions for the above new classifications to include in the Classification Plan and submit them to the City Manager for approval on or before the date of position activation.

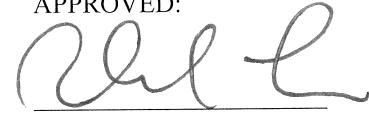
PASSED AND ADOPTED this 11th day of June, 2019 by the following vote:

AYES: (5) Mayor Tran, Vice Mayor Dominguez, Councilmembers Montano, Nuñez, and Phan
NOES: (0) None
ABSENT: (0) None
ABSTAIN: (0) None

ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Rich Tran, Mayor

APPROVED AS TO FORM:


Christopher J. Diaz, City Attorney

RESOLUTION NO. 8882**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING
RESOLUTION NO. 1626, THE CLASSIFICATION PLAN, TO ADJUST HOURLY RATE AND
RANGES FOR CLASSIFICATIONS DUE TO A MINIMUM WAGE INCREASE,
PURSUANT TO ORDINANCE NO. 292**

WHEREAS, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been amended from time to time, and which is in accordance with the Personnel Rules and Regulations of the City of Milpitas (Resolution No. 792 as amended); and

WHEREAS, salary increases granted to temporary classifications pursuant to changes in Resolution No. 6598, the Resolution providing compensation for unrepresented part-time temporary employees, have been incorporated into Resolution No. 1626, the Classification Plan.

WHEREAS, amendments to the Classification Plan are necessary to account for changes within the organization, transfer of duties, new job responsibilities, and adjustments to salary ranges; and

WHEREAS, the City of Milpitas local minimum wage ordinance, Ordinance No. 292, established the minimum wage hourly rate effective July 1, 2019 as \$15.00 per hour; and

WHEREAS, the City of Milpitas must update its hourly rate for certain classifications currently below the \$15.00 hourly rate in conformance with Ordinance No. 292, as well as update the hourly rate for certain affected positions within the same classification groups to maintain consistency in the hourly pay rate scale for such classification groups.

NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The table below contains hourly wage adjustments for classifications that are either (a) currently below the minimum wage of \$15.00 per hour, or (b) positions within the same classification group which are affected by these increases and therefore necessitate their own contemporaneous increase to maintain consistency in the hourly rate pay scale for the classification group.
3. Resolution No. 1626, as amended, is hereby further amended to adjust the hourly rate and ranges for the below listed classifications effective July 1, 2019, as follows:

<u>Classification:</u>	<u>From:</u>	<u>To:</u>
Adult Crossing Guard	\$13.51 to \$16.19	\$15.00 to \$17.98
Adult Crossing Guard Supervisor	\$15.50 to \$18.56	\$17.25 to \$20.66
Lifeguard	\$13.50 to \$16.75	\$15.00 to \$21.00
Assistant Pool Manager	\$13.50 to \$17.00	\$17.00 to \$23.80
Pool Manager	\$16.26 to \$19.11	\$18.25 to \$25.55
Recreation Attendant	\$13.50 to \$19.00	\$15.00 to \$21.00
Recreation Leader	\$13.50 to \$19.50	\$15.00 to \$21.00

<u>Classification:</u>	<u>From:</u>	<u>To:</u>
Recreation Instructor	\$16.50 to \$33.00	\$18.33 to \$36.66
Staff Assistant	\$13.50 to \$21.60	\$15.00 to \$24.00
Student Intern	\$13.50 to \$21.60	\$15.00 to \$24.00
Recreation Administrative Assistant	\$13.50 to \$19.00	\$15.00 to \$21.00

PASSED AND ADOPTED this 11th day of June 2019, by the following vote:

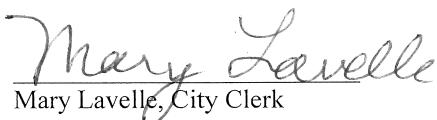
AYES: (5) Mayor Tran, Vice Mayor Dominguez, Councilmembers Montano, Nuñez, and Phan

NOES: (0) None

ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Rich Tran, Mayor

APPROVED AS TO FORM:


Christopher J. Diaz, City Attorney

RESOLUTION NO. 8883**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS TO AMEND THE LIST OF FRINGE BENEFITS AND ELIGIBILITY FOR SUCH BENEFITS FOR LIMITED SERVICE POSITIONS**

WHEREAS, Limited Service Employees (temporary) are not organized or represented for the purposes of meeting and conferring with management in the areas of salary, benefits, and working conditions; and

WHEREAS, on September 15, 1998, the City Council of the City of Milpitas adopted Resolution No. 6812 to authorize fringe benefits for non-clerical Limited Service Employees positions in the Planning, Engineering and Building Departments as designated by the City Manager on a case-by-case basis in a pilot program to assist in recruiting highly qualified applicants; and

WHEREAS, the pilot program for fringe benefits to Limited Service Employees was continued by Resolution No. 6966, No. 7004 and No. 7062, after which the pilot program ended on June 30, 2001, and the benefits were included in the budget process for fiscal year 2001-2002 and the City continued the provision of such benefits thereafter; and

WHEREAS, on June 5, 2018, the City Council adopted Resolution No. 8776 which updated the Fringe Benefits list for specific Limited Service Positions; and

WHEREAS, it is the desire of the City Council to amend the categories of Limited Service Employees positions eligible for authorization of fringe benefits to now include all City Departments, as designated on a case-by-case basis by the City Manager to assist during recruitment efforts with temporary staffing needs and/or to work on special projects and/or as a contributing agency towards our next generation in providing Management Fellow opportunities for a limited period of time; and

WHEREAS, it is further the desire to amend the list of fringe benefits to be available for authorization by the City Manager to those listed in Exhibit A, attached hereto.

NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Limited Service Employees (temporary) shall not earn future rights or benefits normally negotiated for represented employees, such as those used in the calculation of service years or accruals for sick leave cash-out, longevity pay except as set forth in Exhibit A.
3. The City Council hereby authorizes effective July 1, 2019 the fringe benefits listed in Exhibit A, attached hereto, for Limited Service Employees (temporary) in all City Departments as designated on a case-by-case basis by the City Manager to assist during recruitment efforts with temporary staffing needs and/or to work on special projects and/or as a contributing agency towards our next generation in providing Management Fellow opportunities for a limited period of time.

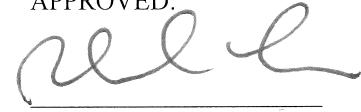
PASSED AND ADOPTED this 11th day of June 2019, by the following vote:

AYES: (5) Mayor Tran, Vice Mayor Dominguez, Councilmembers Montano, Nuñez, and Phan
NOES: (0) None
ABSENT: (0) None
ABSTAIN: (0) None

ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Rich Tran, Mayor

APPROVED AS TO FORM:

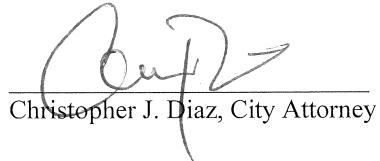

Christopher J. Diaz, City Attorney

EXHIBIT A

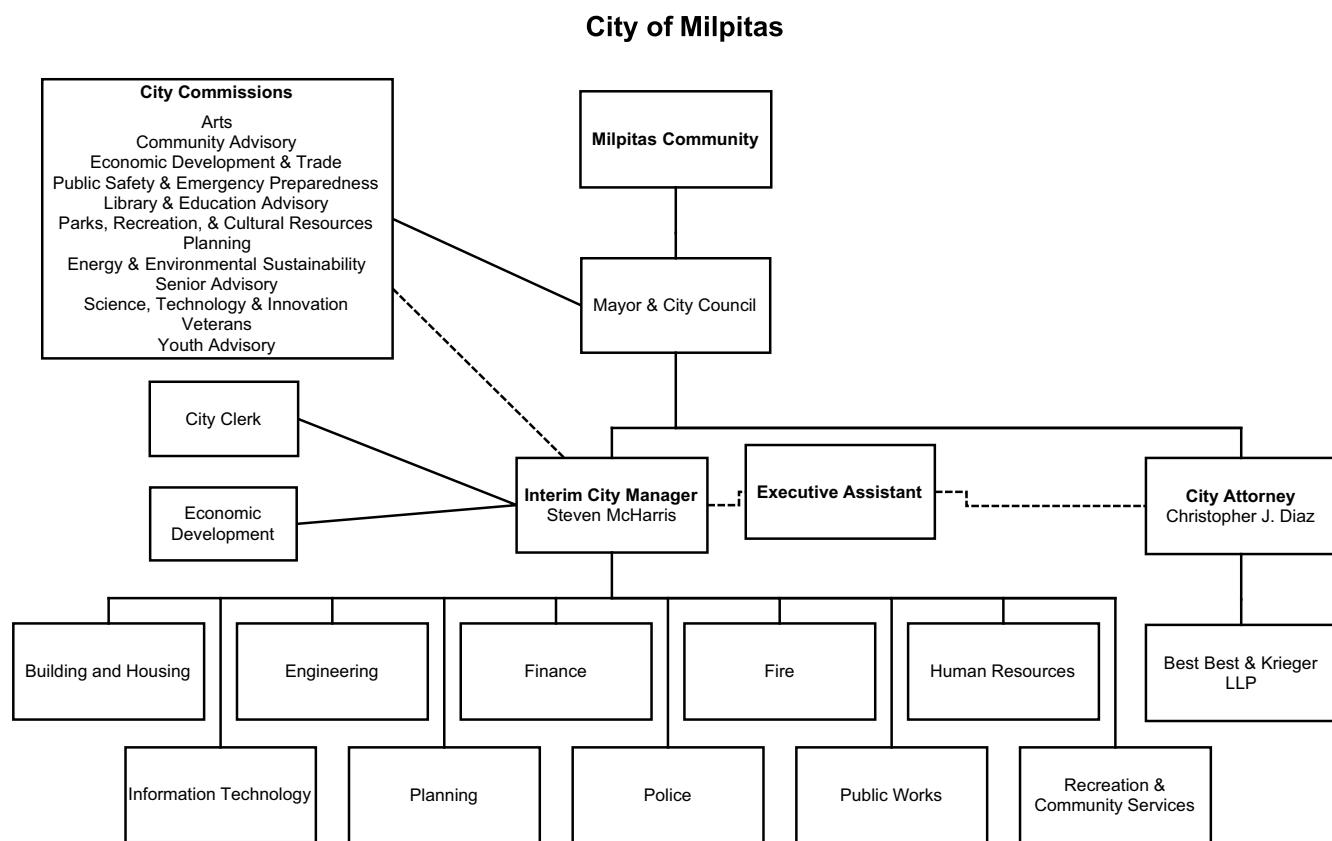
EXHIBIT A
CITY OF MILPITAS
LIMITED SERVICE (TEMPORARY) EMPLOYEES
BENEFIT PACKAGE
Effective 7/1/19

BENEFITS	DESCRIPTION						
BASE SALARY	Base salary will be based on the publicly available pay schedule for the classification for which the Limited Service Employee (temporary) is hired to work.						
HEALTH PLANS	Limited Service Employees may elect to enroll in their choice of CalPERS Health Plans. The City's contribution is capped at the Kaiser plan rates (single, two-party, or family).						
DENTAL	Limited Service Employees may choose to enroll in the City's self-funded Delta Dental plan. The City pays the family premium.						
VISION	Limited Service Employees may choose to enroll in the City's provided vision plan. The City will pay up to the family premium amount.						
LIFE INSURANCE	The City pays for \$50,000 life insurance coverage. Limited Service Employees are eligible to apply for additional life insurance at their own expense.						
SHORT TERM DISABILITY	City provides a plan for Limited Service Employees that is similar to California's State Disability Insurance (SDI).						
LONG TERM DISABILITY	City provides a long-term disability plan for Limited Service Employees.						
VACATION LEAVE ACCRUALS	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 40%;">Years of Service</th> <th style="text-align: left; width: 60%;">Yearly Accruals</th> </tr> </thead> <tbody> <tr> <td>1-4</td> <td>11 Days</td> </tr> <tr> <td>5-9</td> <td>16 Days</td> </tr> </tbody> </table> <p>Vacation leave is available for full cash-out upon separation from the City. May be able to count the years worked during the Limited Term Assignment towards vacation accrual if hired to a full time regular position directly from the Limited Term assignment.</p>	Years of Service	Yearly Accruals	1-4	11 Days	5-9	16 Days
Years of Service	Yearly Accruals						
1-4	11 Days						
5-9	16 Days						
SICK LEAVE	Limited Service Employees will earn 12 work days of Sick Leave per year (pro-rated by pay period).						
HOLIDAYS	The City observes 12 paid holidays: January 1 (New Years), Third Monday in January (Dr Martin Luther King's Birthday), February 12 (Lincoln's Birthday), Third Monday in February (Washington's Birthday), Last Monday in May (Memorial Day), July 4, First Monday in September (Labor Day), November 11 (Veterans Day), Thanksgiving Day, Day After Thanksgiving, Christmas Eve, Christmas Day.						
FLOATING HOLIDAY	Each calendar year 8 hours of floating holiday to be used by December 31 of each year otherwise it will be lost.						
MILPITAS SPORTS CENTER	Limited Service Employees are eligible for membership at the Milpitas Sports Center.						
DEFERRED COMPENSATION-- SECTION 457 PLAN	Limited Service Employees may elect to participate in the City's deferred compensation program (457 Plan) through ICMA-RC. The City contributes \$75 per month on behalf of the Limited Service Employee.						

EXHIBIT A

CITY OF MILPITAS
LIMITED SERVICE (TEMPORARY) EMPLOYEES
BENEFIT PACKAGE
Effective 7/1/19

FLEXIBLE SPENDING PLAN	Limited Service Employees may elect to participate in an IRS Section 125 Flexible Spending Account plan for medical expenses, child or elder care; and/or traffic and vanpooling. Deductions are made on a pre-tax basis. There is no City contribution.
EMPLOYEE ASSISTANCE PROGRAM (EAP)	Limited Service Employees are eligible for services offered by the City's offered Employee Assistance Plan (EAP).
RETIREMENT PLAN: CalPERS	<p>Limited Service Employees will be enrolled in the CalPERS retirement plan. If employed on or after January 1, 2013, or after a break in service from their last CalPERS employer of 6 months or more, Limited Service Employee will be enrolled as a "new" or "PEPRA" member and will be enrolled in the City's 2% at age 62 Plan.</p> <p>Limited Service Employees who have funds on deposit with CalPERS or joined the CalPERS system prior to 2013 are considered "Classic" members and will be enrolled in the City's Tier 2 Plan (2% at age 60).</p> <p>Limited Service Employees who were hired by the City of Milpitas prior to October 9, 2011 are considered "Classic" members and will be enrolled in the City's Original CalPERS Plan (2.7% at age 55).</p>
SOCIAL SECURITY	The City of Milpitas does not participate in Social Security.
MEDICARE	Both City and Limited Service Employee contribute to Medicare (for all employees hired after March 31, 1986).



City History

Before roads were carved and houses were built, Milpitas and its surrounding areas were home to Native Americans in the Costanoan and Ohlone tribes. Living off the bounty of the land around San Francisco Bay, the Costanoans and the Ohlones prospered for hundreds of years long before Mexican or Spanish immigrants came to conquer the land.

In the 18th century, Spanish explorers surveyed the land and were the first to give Milpitas its name - milpa - or little cornfields. Three large ranches began, and two families, the Alvisos and the Higueras, built adobes in the mid-1800s which still stand today.

In 1850, the California Gold Rush began, and "American" settlers started taking over the region. In 1852, a settler from Ireland, Michael Hughes, built the first redwood-framed house in what is now Milpitas. Soon after, the first school was built, and by 1857, Milpitas had a hotel, general store and a post office.

Fruit orchards began to spring up in the 1870s, and later the region was known for its hay growing. The population continued to grow into the 1880s and settlers numbered over 1,500. But by the turn of the century, only about a third of those people remained.



Alviso Adobe



Higuera Adobe

*Photos Courtesy of: Eiren Pasion
History Courtesy of: The Milpitas Post*

Populations would remain low until shortly after World War II, when Western Pacific Railroad bought a 300 acre industrial park within the city and Ford Motor Company announced it would shift its manufacturing plant from Richmond (just north of Oakland) to Milpitas. The population grew to 825. Sewer and water service, and fire protection were set up shortly after, as was one of the country's first integrated housing communities.

On January 26, 1954, the city was officially incorporated, after fighting off annexation attempts by neighboring San Jose. Ten years later, populations grew to 7,000.

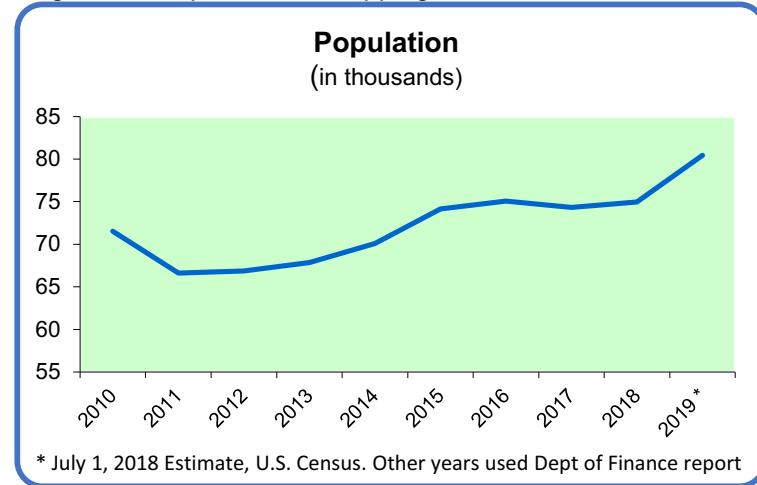
Following the computer firm boom of the 1980s and the opening of one of the nation's largest malls in 1994, the city is now home to 80,430 residents¹.

¹ 2019 Census Estimate

Demographic Profile



Once a small agricultural town and later a stopover point for travelers between Oakland and San Jose, Milpitas has blossomed into one of the world's premier computer and semiconductor producers. Tenants of the burgeoning city of 80,430 are family-centered communities that embrace cultural diversity, quality schooling, and conveniently located neighborhood parks and shopping centers.



Incorporated in 1954 with 825 residents, Milpitas is located at the southern tip of the San Francisco Bay. Milpitas covers 13.6 square miles, with grassy foothills and picturesque Mount Hamilton to the east and the Santa Clara Valley Floor to the west. The city is located in Santa Clara County, home to over 1.9 million residents. To the north is the city of Fremont. To the south lies San Jose, the third largest city in California.

There are approximately 1,293 acres, or 2.0 square miles, designated for various industrial uses. About 105 acres are vacant and available in parcels ranging from 3 acres to 35 acres. Included in this acreage total are nine industrial districts and 100 manufacturing plants. An additional 410 acres are dedicated to regional and community retail centers supporting 3.5 million square feet of commercial shops. The Great Mall of the Bay Area is the largest enclosed mall in Northern California, with approximately 1.1 million square feet of leasable space for retail and entertainment operations. Several local shopping centers serve regional needs for Asian-oriented retail and services.¹



¹ City of Milpitas CAFR – Year Ended June 30, 2018



With over 47,000 jobs and 35,000 employed residents, Milpitas is a jobs rich community. The two largest employers in Milpitas are Cisco Systems with over 4,000 employees and KLA with over 2,000 employees.² Other major employers are Flex, Analog Devices, Western Digital, TDK Headway Technologies and FireEye. Several of these top employers have made Milpitas their corporate headquarters location. The largest percentage of the Milpitas workforce, approximately 29%, are employed in technology & advanced manufacturing, 17% work in professional & business services, and 11% in leisure & hospitality.³

The City's largest own-source revenue is property tax. Top ten property tax payers are shown below ⁴:

<u>Taxpayers</u>	Taxable Assessed Value	% of Total City Assessed Value
Cisco Systems Inc.	\$914,801,531	5.24%
KLA Tencor Corporation	388,865,080	2.23%
SandBox Expansion LLC	353,309,239	2.02%
Santa Clara Valley Transportation	318,414,831	1.82%
Western Digital Technologies	211,860,249	1.21%
Amalfi Milpitas LLC	178,399,623	1.02%
McCarthy Center Holdings LLC	176,218,241	1.01%
Essex Portfolio LP	155,197,343	0.89%
Hudson Campus Center LLC	145,005,600	0.83%
Linear Technology Corporation	129,654,038	0.74%

² Milpitas Business License Data

³ General Plan Update Existing Conditions Report (pg. 1-69)

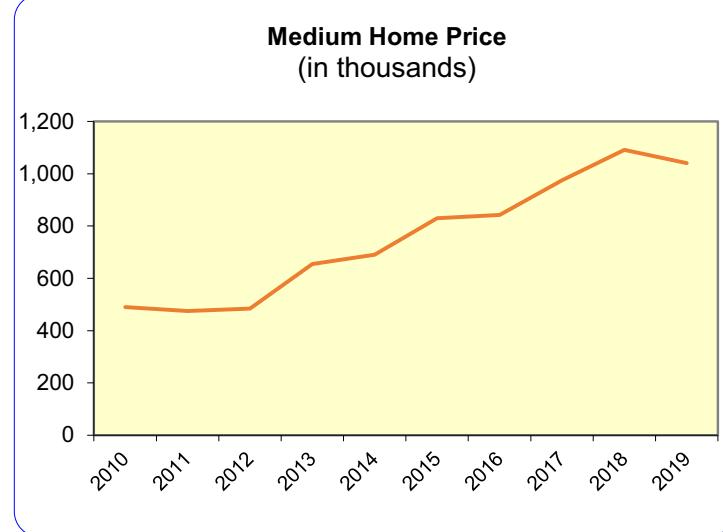
⁴ City of Milpitas CAFR – Year Ended June 30, 2018 - Statistical Section

Milpitas' neighborhoods are dotted with over 20,000 households and well-placed parks. Thirty-two community parks are maintained by Milpitas, in addition to one dog park and 21 tennis courts. The City provides a multitude of outstanding recreational opportunities, including aquatics, cultural arts and theater, sports leagues and activities, youth programming, and senior activities and services.

Milpitas' average household income is \$110,752.⁵ About 47% of the households earn more than \$100,000 annually.⁶



Close to 64 percent of Milpitanians own their own home. Rental prices average around \$2,500 and \$3,050 per month for one and two bedroom apartments, respectively. The median price of a home as of June 2018 in Milpitas is \$1,040,250.⁷ There are 20 suburban residential areas. About 22 percent of the city's population are 18 years old or younger. About 67 percent of the population are between 18 and 64 years old. About 12 percent of residents are over 65.



⁵ US State Census Bureau (<https://www.census.gov/quickfacts/fact/table/milpitascitycalifornia/PST045218>)

⁶ City of Milpitas, Adopted Housing Element 2015-2023 (pg.11)

⁷ HdLCC Milpitas 2018/19 Property Tax Summary

The Milpitas Unified School District operates ten elementary schools (K-6), two middle schools (7-8), two high schools (9-12), 1 continuation high school, and adult education school. The district employs over 500 individuals on a full-time basis to serve approximately 10,000 students as a Prek-12 grade school system.⁸

Milpitas has the highest population of ethnicities in all Santa Clara County. According to the 2010 census, an estimated 67 percent of residents are Asian; 16 percent are Caucasian; 15 percent are Hispanic or Latino; and 3 percent are Black or African-Americans.⁹

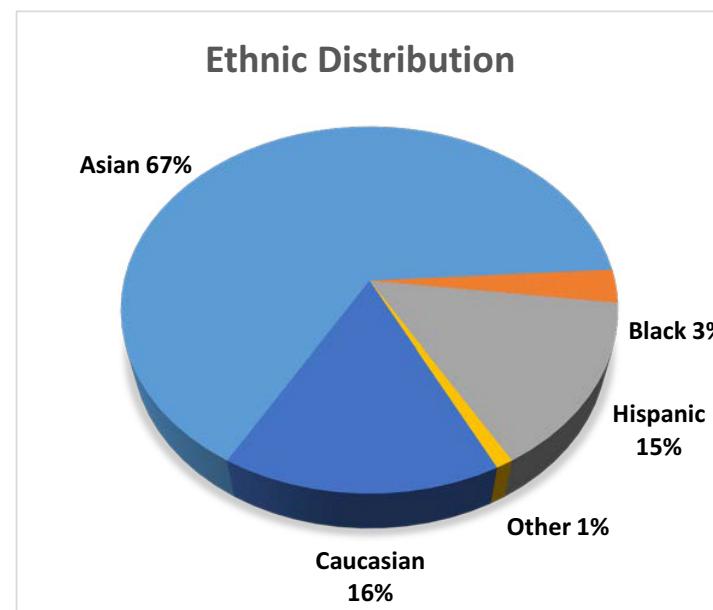
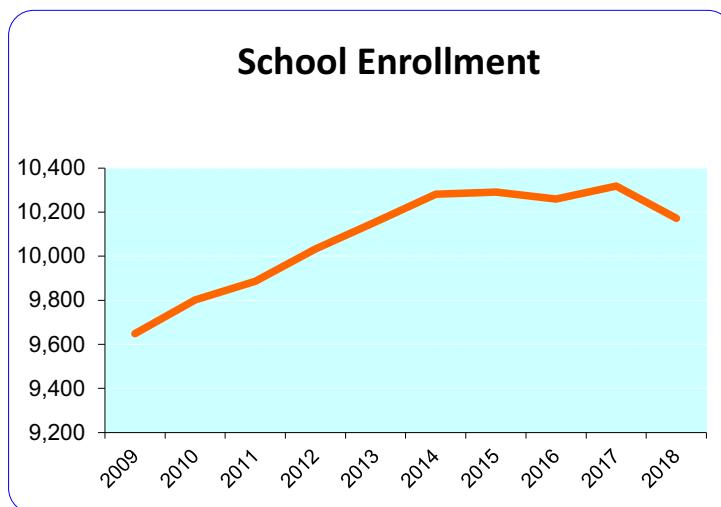
At 20 feet above sea level, Milpitas' mild climate averages 59 degrees, with gentle winds from the northwest and little more than 13 inches of rain expected in a typical year.

The bustling general law city is supervised by a council-manager form of government. The Milpitas City Council is the flagship decision making body that appoints members to many commissions that serve in advisory capacities. The mayorship is an elected position, as are all the council seats. Mayors serve two-year terms; council members have four-year seats.

The City Council makes the ultimate planning and policy decisions for residents, and oversees the city's \$248 million budget. The five members carry out twice a month public meetings. At these times, the public's comments are usually heard, under the citizen's forum. The Council's meetings are held the first and third Tuesdays of each month at 7:00 p.m. in the Milpitas City Hall, 455 E. Calaveras Blvd.

There are 12 advisory commissions on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, Library Advisory Commission and Senior Advisory Commission, to name a few.

Issues challenging most commissions these days are development, quality of life and how to streamline traffic bottlenecks that plague this area at commute times.



⁸ Milpitas Unified School District website

⁹ Jobs EQ - Economic Overview 3/8/19

City of Milpitas at a Glance

Date of Incorporation	January 26, 1954	Water Utility	
Form of Government	Council-Manager	Number of Customers:	
		Residential	14,721
		Commercial	2,206
Population (estimated*)	80,430	Recycled Water	232
Land Area (Square Miles)	13.6	Average Daily Consumption (in million gallons)	
Miles of Streets	298	Potable Water	7.56
Number of Street Lights	5,119	Recycled Water	0.97
		Miles of Water Mains	206
Fire Protection			
Number of Stations	4	Sewer Utility	
Number of Firefighters	57	Miles of Sanitary Sewers	175
Fire Apparatus	15	Miles of Storm Drains	105
Number of Fire Hydrants	2,038	Public Schools Serving the Community	
Police Protection		Elementary Schools	10
Number of Stations	2	Middle Schools	2
Number of Sworn Officers	90	High Schools	2
Number of Crossing Guard Posts	30	Parks and Recreation	
Number of Police Patrol Vehicles	29	Acres of Parkland	195
Employees		Number of Parks	32
Permanent	431	Number of Swimming Pools	3
Temporary (FTE)	93	Number of Tennis Courts	21

Sources:

City of Milpitas CAFR, Statistical Section

City of Milpitas Fire Department

City of Milpitas Police Department

CA Department of Education

* July 1, 2018 Estimate, U.S. Census

Vicinity Map



The City of Milpitas is located near the southern tip of San Francisco Bay, forty-five miles south of San Francisco. Milpitas is often called the “Crossroads of Silicon Valley” with most of its 13.63 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and a county expressway. A light rail line opened for service in 2004 and an extension of BART, including a major multi-modal station is expected to open for service in 2019.

City Council

Mayor	Rich Tran
Vice Mayor	Karina R. Dominguez
Councilmember	Carmen Montano
Councilmember	Bob Nuñez
Councilmember	Anthony Phan

Commissions

Arts Commission	Senior Advisory Commission	Library and Education Advisory Commission
John Agg	Denny Weisgerber	Yu-Lan Chou
Robin Hays	Melba Holliday	Ha Phan
Christina Driggers	Deborah Langley	Hellie Mateo
Tess Santos	Barbara Ebright	Nonie McDonald
Robert Besler	Karen Adams	Elpidio Estioko
Nicole Phan	Jenny Berryhill	Dana Arbaugh
Becky Strauss	Patrick Yung	Theresa Hoang
	Willy Wong	
	Nona Tolentino	
Community Advisory Commission	Science, Technology, and Innovation Commission	Parks, Recreation and Cultural Resources Commission
Van Lan Truong	Dinesh C. Gupta	Satish Bansal
Ashish Kathapurkar	Niranjan Gupta	Aakar Shah
Oscar Leon	William Lam	Bhupinder Singh
Jose Rosario	Anh Bao	Voltaire Montemayor
Ashok K. Sharma	Jaime Hallera	Rohit Sharma
Thelma Batilo	Ernesto Bautista	Kristal Caidoy
George Chen	Ratan Choudhury	Ricky Davis
Vishal Gandhi	Guy Haas	Molly Current
Energy and Environmental Sustainability Commission	Veterans Commission	Planning Commission
Marta Martinez	Arthur Ebright	Sudhir Mandal
Manpreet Badesha	Ed Ackerman	Ricky Ablaza
Christopher Salian	Denny Weisgerber	Tim Alcorn
Chia Ling Kong	Ricardo Martinez	Steve Tao
Patti Sexton	William Devereux	Evelyn Chua
Brian Shreve	Liliana Ramos	Bill Chuan
Yue George Liu	Bruce Choy	Demetress Morris
Economic Development and Trade Commission	Youth Advisory Commission	Public Safety and Emergency Preparedness Commission
Lynne Rice	Ravit Sharma	Mercedes Albana
Warren Wettenstein	Aruna Doreswamy	Paul Ellis
Dhaval Brahmbhatt	Saniya Shrotriya	Don Clendenin
Chris Norwood	Saili Karkare	Jonathan Nakapalau
Victor San Vicente	Yugam Satija	Hon Lien
Matt Taylor	Fengyi Huang	Aleck Bittencurt
Dipak Awasthi	Meghana Ambalathingal	Vicki Young
Juliette Gomez		

Directory of Officials

Fiscal Year 2019-2020

Interim City Manager

Steven G. McHarris

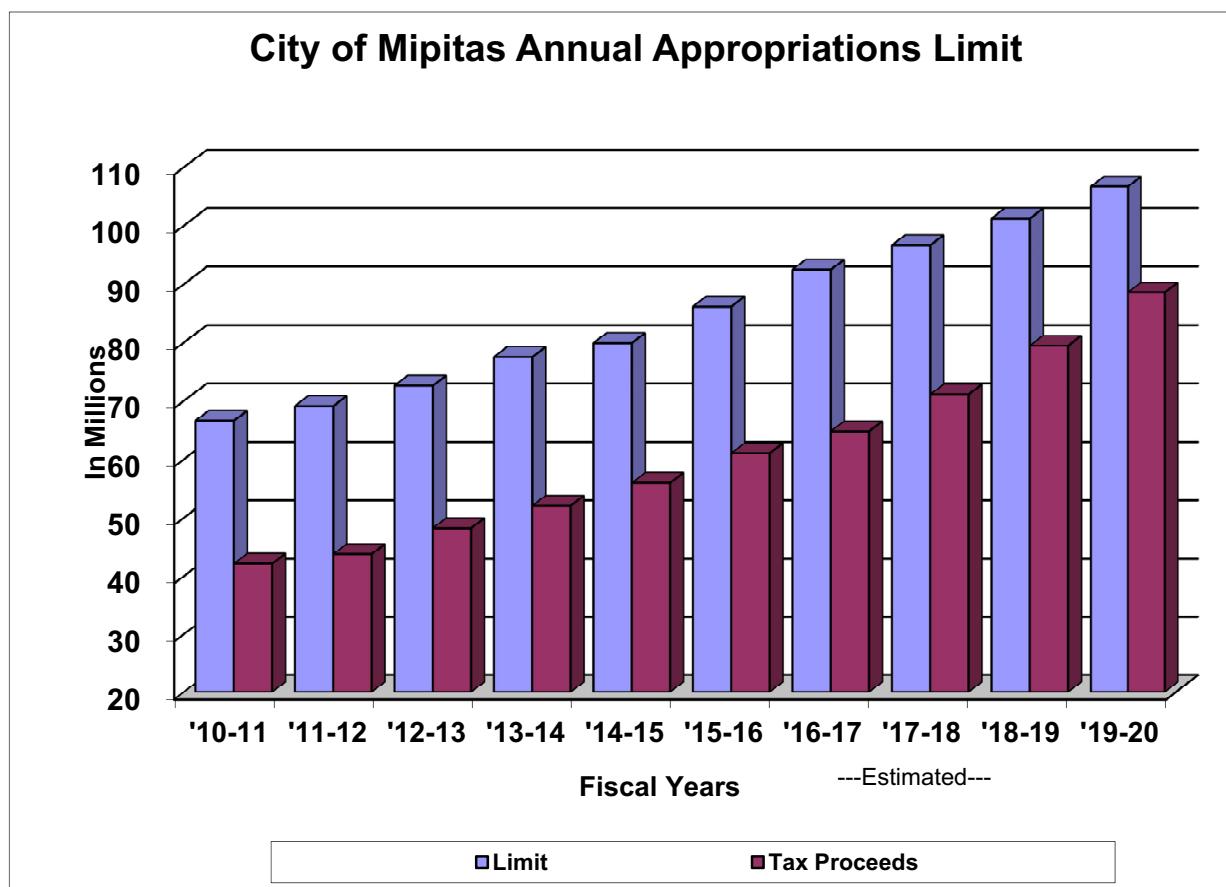
Assistant City Manager Ashwini Kantak	Deputy City Manager Vacant
Public Information Officer Jennifer Yamaguma	City Attorney Christopher Diaz
City Clerk Mary Lavelle	Economic Development Director Alex Andrade
Finance Director Walter C. Rossmann	Human Resources Director Liz Brown
Police Chief Armando Corpuz	Fire Chief Brian Sherrard
Information Technology Director Mike Luu	Building & Housing Director Sharon Goei
Engineering Director Steven Erickson	Planning Director Ned Thomas
Public Works Director Tony Ndah	Recreation and Community Services Director Renee Lorentzen

Gann Limit Analysis

Article XIIIIB of the California State Constitution, more commonly referred to as the Gann Initiative or Gann Limit, was approved by California voters in November 1979 and placed limits on the amount of proceeds of taxes that state and local governmental agencies can receive and spend each year. If an agency receives more revenue than the Appropriations Limit, the excess revenue must be returned to the taxpayers through a tax reduction or refund within the next two years. Alternatively, the agency can increase its Appropriations Limit through voters' approval.

Each year's limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. The City Council must adopt, by resolution, an Appropriations Limit for the following year. Using the population and per capita personal income change factors provided by the State of California, the City's Appropriations Limit for FY2019-20 has been computed to be \$106,818,595. Appropriations subject to the limitation in FY2019-20 budget total \$88,534,981 that is \$18,283,614 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 2010-2011. The City has not exceeded its annual Appropriations Limit in any single fiscal year. The City has been under 90% of the limitation and should not be impacted by the Appropriations Limit.



Computation of Legal Bonded Debt Margin

City of Milpitas
June 30, 2019

ASSESSED VALUATION:

Total property assessed value, net of exempt real property	<u>\$18,343,899,235</u>
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$687,896,221</u>

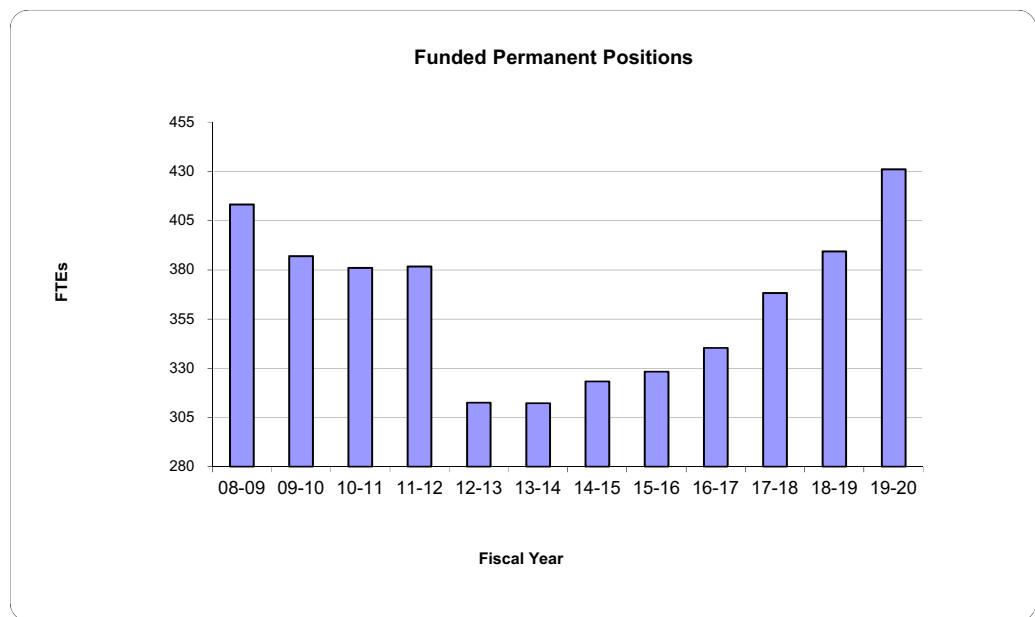
AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$4,245,000
Less: 2017 Wastewater Revenue Refunding Bonds, not subject to limit	4,245,000
Amount of debt subject to limit	<u>-0-</u>
LEGAL BONDED DEBT MARGIN	<u>\$687,896,221</u>

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Funded Permanent Positions by Department

	15-16		16-17		17-18		18-19		FY19	FY20	19-20
	Funded	Change	Funded	Change	Funded	Change	Funded	Mid-Yr	Adopted Add	Budget	
City Council	5.00	0.00	5.00	0.00	5.00	0.00	5.00	0.00	0.00	5.00	
City Manager	4.00	0.00	4.00	(1.00)	3.00	3.00	6.00	0.00	0.00	6.00	
City Clerk	2.00	0.00	2.00	1.00	3.00	0.00	3.00	0.00	0.00	3.00	
Economic Development	0.00	1.00	1.00	2.00	3.00	0.00	3.00	0.00	0.00	3.00	
City Attorney	3.00	(2.00)	1.00	0.00	1.00	0.00	1.00	0.00	0.00	1.00	
Building and Housing	18.00	0.00	18.00	1.00	19.00	(1.00)	18.00	15.00	0.00	33.00	
Information Technology	9.00	1.00	10.00	0.00	10.00	1.00	11.00	0.00	1.00	12.00	
Human Resources	4.00	0.00	4.00	1.00	5.00	0.00	5.00	1.00	1.00	7.00	
Recreation & Community Services	14.75	1.00	15.75	0.00	15.75	2.25	18.00	0.00	2.75	20.75	
Finance	22.50	1.00	23.50	1.00	24.50	3.00	27.50	0.00	2.00	29.50	
Public Works	41.00	5.00	46.00	19.00	65.00	3.00	68.00	1.00	4.00	73.00	
Engineering	23.00	2.00	25.00	(7.00)	18.00	5.00	23.00	(1.00)	3.00	25.00	
Planning	11.00	0.00	11.00	3.00	14.00	1.00	15.00	(6.00)	1.00	10.00	
Police	109.00	2.00	111.00	3.00	114.00	3.00	117.00	2.00	7.00	126.00	
Fire	62.00	1.00	63.00	5.00	68.00	1.00	69.00	5.00	3.00	77.00	
TOTAL	328.25	12.00	340.25	28.00	368.25	21.25	389.50	17.00	24.75	431.25	



New Position Requests

FY 2019-20 NEW POSITIONS

(1) Entry Level Fire Inspector – Fire Department

Entry Level Fire Inspector needed for succession planning within the Fire Prevention Bureau reporting to the Assistant Fire Marshal with duties and responsibilities that include fire inspection, plan knowledge, code compliance, fire systems review, and general fire prevention customer service.

This position conducts annual and minor construction inspections, and will receive training and mentorship to prepare the individual to become competitive for higher level inspector positions within the Fire Prevention Division.

(1) Executive Assistant – Fire Department

The Executive Assistant reports to the Fire Chief and is the regular point of contact with government officials, the public, and representatives of business and the community. This person will take notes, prepare reports, make travel arrangements, schedule appointments, and provide general administrative office support to Fire.

Headquarters Staff Capacity assessment recently conducted by Citygate Associates in 2019 for Milpitas Fire recommended assistance be added in the Office Specialist capacity as there is insufficient Office Specialist capacity and administrative duties are being pushed down to the line personnel. Additionally, Citygate recommended adding support staff including Office Specialist and Analyst positions to relieve workload capacity gaps, provide redundant capacity for critical business services, and conduct critical data analysis and project coordination.

(1) Fire Protection Engineer – Fire Department

The Fire Protection Engineer reports to and receives direction from both the Assistant Fire Marshal and Prevention Deputy Fire Chief. This is journey level position that possesses the applicable education and training background, appropriate certificates, licenses, and practical work experience. The Fire Protection Engineer performs plans examination to ensure compliance with technical codes, applicable laws, state regulations, and city ordinances.

(1) Communications Dispatcher – Police Department

The Communications Dispatcher staffs the Police Department's Public Safety Answering Point (PSAP). The Communications Center, also known as PSAP, is staffed every hour of the day and every day of the year. The Dispatcher answers 9-1-1 calls and non-emergency phone calls. In addition, the dispatcher dispatches calls for the police department, fire department, and public works department outside normal business hours.

This position is critical to ensuring public safety resources are responding to emergencies and non-emergencies with the appropriate resources. Lastly, the dispatcher is a critical component to maintain fast response times for both Police and Fire. This position supports the Council's priorities in Public Safety.

(2) Community Services Officers – Police Department

The Community Service Officers (CSOs) will be assigned to Patrol Services and the Police-Community Relations Unit. The CSOs will report to a Sergeant, which is a front line supervisory position. The CSOs are non-sworn positions and will be assigned non-hazardous duties that will improve the Police Department's efficiency and service delivery to our community.

The CSO assigned to the Public Community Relations department will be responsible for community presentations like Run. Hide, Fight presentations, and robbery presentations to business owners, burglary presentations to residents and Neighborhood Watch. The CSO will coordinate community engagement events like Coffee with a Cop, Citizen's academy, and National Night Out.

The CSOs assigned to Patrol Services will perform vehicle abatement, property crime investigations, complete necessary police reports, traffic control, non-injury vehicle collisions, field evidence collection, municipal code enforcement, parking enforcement, radar trailer and sign-board deployment, massage parlor permits, bingo

permits, and participate in community projects that impact quality of life concerns. Property crime investigation include, but are not limited to, burglary investigations, theft, vandalism, and identity theft.

(1) Police Management Analyst – Police Department

The Police Management Analyst will perform a variety of professional level administrative and analytical work involving the Department's budget, research, analysis and development of efficient systems, project management, contract management, equipment procurement, grant applications, and grant management.

The Police Department's sworn personnel are responsible for several administrative ancillary duties while, simultaneously, managing their primary duties. These duties include the responsibilities proposed for the Police Management Analyst. The Police Department does not have the staffing capacity for ongoing grant research or application.

The Center for Public Safety Management (CPSM) evaluated police operations and staffing. CPSM staff concluded that the police department is heavily understaffed with support staff and staff is bogged down in administrative work.

(3) Police Officers – Police Department

This is a sworn peace officer position and the position responsibilities are, generally, the following: complete criminal investigations, arrest criminal offenders, traffic enforcement, parking enforcement, evidence collection, work closely with other law enforcement agencies, complete detailed reports, respond to medical emergencies, work closely with community members in providing responsive police services, and being responsive to quality of life concerns. A Milpitas Police Officer works towards the preservation of life and property.

The addition of two (2) police officers would enable the police department to continue providing professional and responsive police services. The officers would be assigned to existing units within the police department, such as Patrol Services, traffic, investigations, and community relations, according to crime fighting strategies and community needs.

(1) Principal Planner – Planning Department

The Principal Planner is primarily responsible for implanting the city planning, sustainable growth, and neighborhood preservation policies of the City Council. Such policies include and often are combined with transportation planning, market rate and affordable housing, open space/parks and trails, health and wellness, and both environmental and fiscal/land use sustainability. As noted in the Matrix Consulting Organizational Study, most Bay Area jurisdiction Planning Departments are responsible for both Long Range Planning and Current Planning with most long-range planning divisions employing 1 - 2 full-time planners dedicated to long-range planning and policy activities. This includes development and implementation of the General Plan and ensuring that zoning codes, ordinances, specific plans, and other specialized master plans (e.g., Bike and Trails Master Plan, Parks and Recreation Master Plan, etc.) are internally consistent and focused on community priorities and policies established by the City Council.

Long-range planning activities also include significant regional collaboration on a variety of issues such as bike and trail networks, GHG reduction strategies, sustainability, transportation planning, community health planning, census and demographics, affordable housing, and homelessness. The Principal Planner will report to the Planning Director or his designee. This position will supervise one Senior Planner responsible for assisting the Principal Planner in managing and completing the work program activities of the long-range planning division, primarily implementation of the General Plan including updating the Zoning Ordinance, updating the City's Specific Plans, managing development of new specific or area plans, and overseeing projects requiring major amendments to the General Plan or the City's Specific Plans. Overall, the position will streamline Planning Department operations and provide a long needed higher quality level of forward thinking to the City's planning and planned growth and development policies of the City Council.

(1) GIS Technician I – Engineering Department

This position is required to address a decade's worth of backlog in the City's GIS System, which is used for the essential connection of City asset data with online, interactive databanks and mapping for real-time visualization and analytics. More specifically, this position will create and maintain asset inventories and document management.

This work will lend itself to enhanced productivity, transparency and cost-efficiencies in the management of all Capital Improvement Projects and the review and permitting of Private Development. Because of the specialized training and certification required for the complexity of GIS tools, this work requires a trained and experienced GIS professional.

(2) Jr/Assistant Engineers (Design & Construction) – Engineering Department

To facilitate the completion of projects in the 2018-2023 Capital Improvement Project (CIP), the Jr/Assistant Engineer (two positions requested) will perform professional and technical engineering work to support design & construction of all funded projects. Responsibilities include preparation of construction documents; project/contract administration; and construction claim resolution; investigation and resolution of construction problems; and assistance in the preparation of engineering reports and studies.

The two requested positions will be within the Design & Construction section, which is managed by the CIP Manager. Currently, the section has three Associate Civil Engineers; one Junior/Assistant position, one Engineering Aide; one Sr. Construction Inspector; two Construction Inspector positions, and one Temporary Construction Inspector. All existing positions are filled but the section is still unable to handle the volume of funded CIP projects.

(1) Equipment Maintenance Worker II (Facilities) – Public Works Department

This position performs a variety of maintenance tasks within the City's equipment maintenance program on the City's facilities, including the repair of pumps, motors, lighting, HVAC, electrical systems, and performs routine and preventive maintenance on other equipment.

This position receives indirect supervision from the Equipment Maintenance Worker III and will receive general supervision the Senior Public Works Lead (Facilities) and/or the Public Works Manager. This position may exercise technical supervision over less experienced staff.

As part of the core duties, this position will be responsible for addressing emergency repair needs on the City's HVAC, electrical, mechanical, and plumbing systems, which will allow the City to limit its use of emergency on-call contract services.

(1) Environmental Inspector – Public Works Department

This position provides full range of inspection, sampling, monitoring and enforcement activities under the solid waste program. This position will interpret regulations and initiate enforcement action, as needed, to ensure compliance with local, state, or federal requirements for solid waste.

This position will receive general supervision from the Senior Administrative Analyst (Solid Waste) and/or the Deputy Public Works Director. This position may exercise indirect supervision over temporary staff within the Solid Waste Division.

As part of the core duties, this position will provide environmental compliance oversight of commercial and industrial businesses for designated provisions of the Municipal Stormwater Permit and Solid Waste Management Ordinance. This position will also perform investigations of discharges into the City's stormwater conveyance system and waterways.

(1) Maintenance Worker III (Trees and Landscape) – Public Works Department

This position serves as a Lead Worker within the Trees and Landscape Division and will be responsible for the City's tree maintenance program. This position will perform a variety of semiskilled and skilled tasks in the construction, maintenance and repair of public assets in the area of parks, trees, and/or street landscape. This position will perform the more complex and responsible tasks within the work Division including the training of less experienced staff.

This position will receive general supervision from the Senior Public Works Lead (Trees and Landscape) and/or the Public Works Manager. This position will exercise indirect supervision over Maintenance Worker I/II personnel assigned to the crew.

As part of the core duties, this position will be responsible for the assessment, prioritization, and resolution of all tree work request that come in from residents to the Public Works Department, which will allow DPW staff to respond more quickly to tree service requests and tree hazards.

(1) Sr. Administrative Analyst (Solid Waste) – Public Works Department

This position will be responsible for professional administrative work in the solid waste and stormwater programs, to ensure that the City stays in compliance with state and regional mandates. This position will coordinate and oversee assigned programs including the development and implementation of program policies and procedures, the development and administration of program budgets, and the negotiation and administration of contracts.

This position will receive general supervision from the Deputy Public Works Director and/or the Public Works Director. This position will exercise indirect supervision over an Administrative Analyst I/II and Environmental Compliance Inspector.

As part of the core duties, this position will provide the resources needed to manage the existing solid waste programs and contract, as well as to develop new zero waste and solid waste compliance programs that will meet the State's mandates for organics diversion.

(0.75) Office Assistant (Sport and Fitness) – Recreation Department

The requested Office Assistant I/II position will be located at the Milpitas Sports Center and report to the Sports Center Supervisor. This position will deliver customer service to the community directly in person and on the phone at the front counter. This position will provide support to the community related to Sport Center site program and class inquiries such as; membership, rental and registration processing, and administrative organization functions such as filing and equipment maintenance logs; part-time employee timecard entry; site program and services calendar entry and maintenance; and help oversee projects assigned to temporary/seasonal front desk staff.

This position will also provide department-wide support through recreation class and program registration, facility room rentals, and park rentals. It will also assist the site's existing Public Services Assistant II with the public interface with class changes, cancellations, and waitlist outreach for sports classes, swim lesson, camps, After the Bell, and general class waitlist, transfers and refund processing.

(1) Public Services Assistant I (Administration) – Recreation Department

The requested Public Services Assistant I/II will be located at the Milpitas Community Center and report to the Community Center Supervisor. The Community Center is the administrative "hub" site for the department and this position will deliver customer service to the community directly in person and on the phone at the front counter. This position will provide support to the community on all recreation class and program registration, facility room rentals, and park rentals. It will also manage the public interface with class changes, cancellations, and waitlist outreach.

This position will also perform a variety of clerical duties and program assistance such as: daily cash/check/credit card deposits, employee timecard entry, manage records retention and destruction, general management of registration forms, rental forms, commission reports and other administrative documentation associated with the Community Center. It will also be a key position for our software setup, which is conducted for each program season, and includes, activity guide class and program data entry and proofing (average of 125 classes each season), cross-reference and proof the Activity Guide to ensure class registration numbers are correct and ready for public release, activity and program dates and room assignments.

This position also provides internal customer service for the department and would be assigned as the Recording Secretary for the Parks, Recreation, and Cultural Resources Commission, and provide administrative support to the site's Supervisor, two (2) program coordinators, one (1) Senior Public Services Assistant, and three (3) Recreation Specialists.

(1) Recreation Services Assistant II (Special Events) – Recreation Department

The Recreation Assistant II will be located at the Community Center in the Special Events work group, and report to the Community Center Supervisor. This position will plan the smaller scale events, such as, but not limited to Flag Raisings, Veterans Day and Memorial Day Ceremonies, Family Bike Event, and Movies in the Park.

This position would also work with vendors and arrange for entertainment for all events, create and maintain vendor lists, help with preparing contracts, and ordering supplies and materials. The Recreation Assistant II will also help oversee approximately 150 event volunteers that are used throughout the year, as well as lead the new Alviso Adobe Field Trip and Tour program, along with the new Docent Program.

(1) Administrative Assistant – Finance Department

The Administrative Assistant will provide general administrative support including filing, copying, scheduling, purchasing, personnel activities, and special projects and requests for the Finance Department.

The Finance Department has seen a significant increase in activity the past year, with over 80 active projects (such as agreements, Request for Bids (RFPs), Invitation for Bids (IFBs), etc.), with activity not expected to decrease in the near future. There is the need for clerical help to support staff with items such as filing, copying, routine purchasing, department budget monitoring, scheduling and general organization.

In addition, the Department has no full time administrative staff, particularly taxing the work of the Finance Director, Assistant Director, Budget Manager, and Purchasing Officer. These positions are required currently to make files, copy, schedule, and perform other general organization tasks that could be better performed by an Administrative Assistant. Administrative support is requested to allow these positions to concentrate on Council and department priorities and more strategic issues.

(1) Finance Manager – Finance Department

The Finance Manager will supervise and manage the routine, day to day operations of the Finance Department, including Accounting, Accounts Payable, and Payroll. The Finance Manager will report to the Assistant Director of Finance and oversee the General Ledger, Accounts Payable, and Payroll Divisions. It will directly supervise 3 Senior Accountants, and 12 full time equivalent positions.

Currently, the Assistant Finance Director supervises and manages daily operations in Accounting, Accounts Payable, Payroll, and Fiscal Services including Utility Billing, Business License Tax Collection, and Misc. Receivables. The Assistant Finance Director also supports the Finance Director in developing the strategic direction and vision of the Finance Department, attends internal and public meetings as necessary, acts as the Finance Director in his/her absence, and provides support for the annual budget process and project management for several system implementations. There is a large gap in the skills required and responsibilities between the Assistant Finance Director level and the Sr. Accountant level. There is no position in between and this makes succession planning, staff development, retention, and promotion from within the organization very difficult.

(1) Employee Relations Officer – Human Resources Department

The Employee Relations Officer (ERO) will assist the Human Resources (HR) Director in staff development and training, labor relations, maintaining policies and procedures, developing hiring, disciplinary and termination recommendations, reviewing and processing grievances, assisting in conducting research and analysis regarding job descriptions, salary and benefits, and participating in setting up safety programs to prevent workplace injuries. In addition, this employee will assist the HR Director in resolving sensitive personnel matters and significant and controversial issues.

The ERO will report to the HR Director and oversee two HR Analysts. The HR Director will continue to lead the department, provide guidance to the ERO, and oversee complex personnel matters that require City Manager, legal and City Council involvement. As the only other manager in the department, the ERO will act on behalf of the Director in his/her absence.

(1) Information Systems Analyst (Public Safety) – Information Services Department

This position is required to address essential technological needs within the Police and Fire Departments, directly supporting necessary system and application upgrades; supporting the 911 system; providing 24/7 support services; and integrating artificial intelligence, body-worn cameras and usage of GPS to provide faster and more accurate response times to public safety calls. This position request is a direct result of the recommendation of the Center for Public Safety Management (CPSM), whom conducted the Police Operations and Data Analysis, the results of which were presented to Council on March 19, 2019. The position will be dedicated to supporting Police and Fire and will be housed in the Police Department; however will be overseen by the Information Technology department.

**FY 2019-20
POSITION RECLASSIFICATIONS****Sr. Building Inspector– Building and Housing Department**

The Electrical/Building Inspector position is a single classification in the Building Inspection function of the Building and Housing Department. The size of jurisdiction and type of projects in Milpitas necessitate inspectors who are

proficient in all disciplines rather than specialty inspectors. Usually large jurisdictions have more specialty inspectors as they have specialized projects requiring more in-depth experience in a specific discipline.

This reclassification will broaden the responsibilities and elevate the position to a Senior Building Inspector, providing much more capacity and flexibility for the Department. Inspection services will be more efficient with inspectors that are able to conduct different types of inspections, which will in turn improve service delivery for the development community.

This position will work in the building safety division, reporting to the Building Inspection Manager and overseeing Building Inspectors. This reclassification will also help provide a career path in the Building Inspection Program and enhance professional development and succession planning in the Building and Housing Department.

Sr. Permit Center Analyst – Building and Housing Department

One of the reclassification requests in the Building and Housing Department is to reclassify a vacant Plan Check Engineer position to a Senior Administrative Analyst position (with the working title of a Senior Permit Center Analyst) to serve as the TRAKiT permit system administrator.

The Building and Housing Department administers the permit system and electronic plan review system and provides training to other departments on these systems in coordination with Information Services, and yet lacks any analytical and technical position that performs information technology and GIS-related work. There is significant database administration and database management performed by plan check staff for many years. Integration between the permit system and the new electronic plan review software has been performed by plan check staff as well.

This position will work in the building safety division, reporting to the Plan Review Manager. The position will provide a career path in the permit administration area.

Program Coordinator (Case Manager) – Recreation Department

The proposed Program Coordinator (Social Services) position would be based out of the Senior Center and report to the Community Engagement and Inclusion Administrator. This position would assist the greater community with Medicare, Medi-Cal, Supplemental Security Income, Social Security, Disability, Immigration and Naturalization Services, food vouchers/programs, In-Home Supportive Services, transportation needs, and manage the intake, review and approval of residents for the new City Assistance Program.

The proposed Program Coordinator would lead the City's newly formed Suicide Prevention Task Force and oversee critical mental health services access and education to our high school-age population at the Teen Center. Additionally, the Social Services Program Coordinator would serve as the City's primary liaison to local service agencies such as NAMI, Health Trust, Catholic Charities, Milpitas Food Pantry, and other similar-type service providers.

Sr. Executive Assistant – City Manager's Office

The Executive Assistant position supports the City Council and City Manager's office. This position provides analytical and executive support and handles confidential materials, complex resident inquiries and employee relations, coordinates citywide contract approvals, and acts as the point of contact for the City Manager and other executive staff in the City Manager's Office. Over the past year, the duties and responsibilities of this position have increased significantly. The position now supports a total of four (4) senior and executive staff in the City Manager's Office, in addition to supporting the full Council. The position also supervises an Office Specialist, which was added in Fiscal Year 2018-19. Staff is recommending reclassifying the Executive Assistant position to a Senior Executive Assistant position to reflect the supervisory role, the additional responsibilities supporting senior and executive level positions, and the confidential and complex nature of the job.

Jr. Accountant – Finance Department

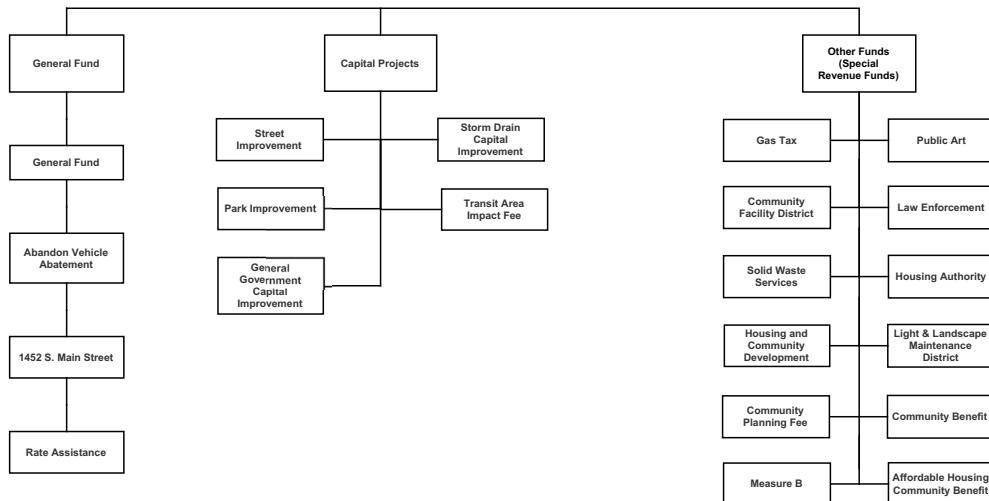
The Jr. Accountant will be a new position classification that will serve the need to have an entry level accountant position in the Department of Finance. It will receive lead guidance from the Accountant position and Sr. Accountant, and will report to the Sr. Accountant position. This position will perform more routine professional accounting work, including recording and reporting of financial transactions, and budgetary control, for assigned area of responsibility. It will also participate in the posting, balancing and reconciliation of subsidiary accounts.

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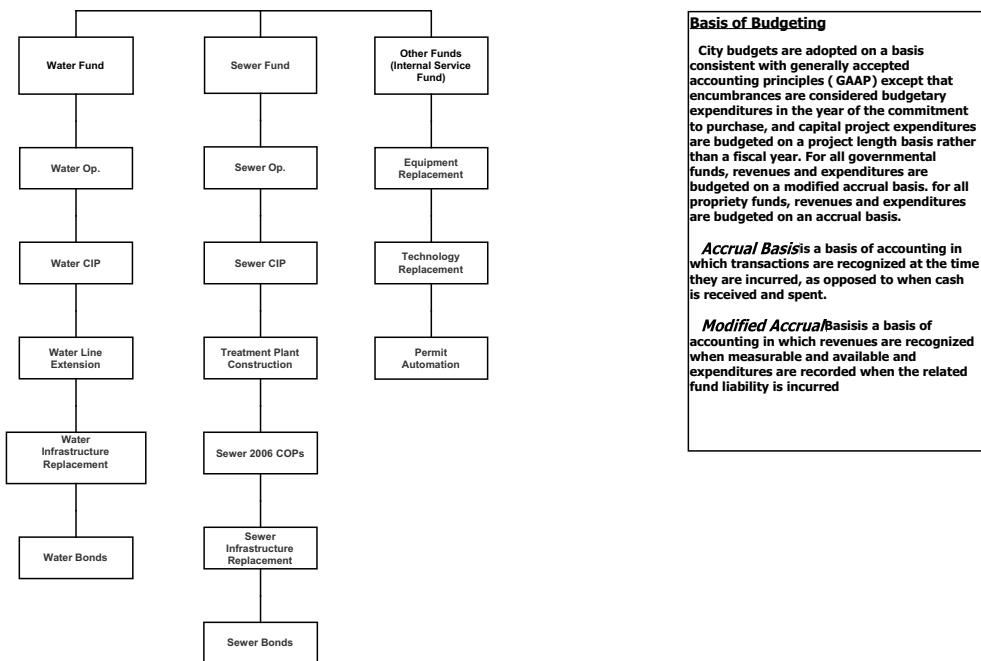
City of Milpitas Fund Structure

By Budgetary Basis

Modified Accrual Basis of Budgeting



Accrual Basis of Budgeting



Basis of Budgeting

City budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis rather than a fiscal year. For all governmental funds, revenues and expenditures are budgeted on a modified accrual basis, for all proprietary funds, revenues and expenditures are budgeted on an accrual basis.

Accrual Basis is a basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received and spent.

Modified Accrual Basis is a basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred

Budget Summary

	Grand Total	General Fund (1)
ESTIMATED REVENUES		
PROPERTY TAXES	28,391,781	28,391,781
RFTTF DISTRIBUTIONS	6,414,919	6,414,919
SALES AND USE TAXES	27,200,042	27,200,042
OTHER TAXES	1,128,000	1,128,000
FRANCHISE FEES	5,147,000	4,937,000
TAXES OTHER THAN PROPERTY	19,557,639	19,557,639
LICENSES AND PERMITS	14,748,486	14,748,486
FINES AND FORFEITURES	501,810	501,810
USE OF MONEY AND PROPERTY	4,248,000	1,267,000
INTERGOVERNMENTAL	5,587,556	1,445,927
CHARGES FOR CURRENT SERVICES	65,012,886	6,960,914
OTHER REVENUE	23,698,420	241,000
OPERATING TRANSFERS IN	21,685,417	5,993,002
	sub-total	223,321,956
		118,787,520
OTHER FINANCING SOURCES		
(INCREASE) DECREASE IN FUND BALANCE	2,225,372	(3,210,533)
(INCREASE) DECREASE IN PRIOR YEAR RSRV	6,000,000	6,000,000
(INCREASE) DECREASE IN CIP RSRV	(43,687,817)	0
OTHER FINANCING SOURCES	60,000,000	0
	sub-total	24,537,555
		2,789,467
	TOTAL	247,859,511
		121,576,987
BUDGETED APPROPRIATIONS		
PERSONNEL SERVICES	103,974,393	91,972,001
SUPPLIES & CONTRACTUAL SERVICES	56,654,452	22,521,884
CAPITAL OUTLAY	1,626,262	183,102
OPERATING TRANSFERS OUT	21,685,417	6,800,000
	sub-total	183,940,524
		121,476,987
CAPITAL IMPROVEMENTS	62,485,725	0
DEBT SERVICE	1,433,263	100,000
	sub-total	63,918,988
		100,000
	TOTAL	247,859,512
		121,576,987
FUND BALANCE		
FUND BALANCE 7/01/2019	281,968,239	67,176,239
NET CHANGES IN FUND BALANCE	41,462,445	3,210,533
	TOTAL	323,430,684
		70,386,772
RESTRICTED	14,555,326	0
RESTRICTED, CIP	206,759,817	0
COMMITTED, OTHER	700,000	0
COMMITTED, ARTIFICIAL TURF	1,230,000	1,230,000
COMMITTED, TECHNOLOGY	2,000,000	2,000,000
COMMITTED, FACILITIES	7,000,000	7,000,000
COMMITTED, PERS	30,000,000	30,000,000
UNASSIGNED, UNRESTRICTED	32,835,541	1,806,772
UNASSIGNED, 2 MONTHS	18,900,000	18,900,000
UNASSIGNED, BUDGET STABILIZATION	9,450,000	9,450,000
	TOTAL	323,430,684
		70,386,772

(1) General Fund includes RPTTF Distribution Fund, Abandon Vehicle Abatement Fund, 1452 S. Main St Fund and administration funds of the former Redevelopment Agency.

(2) Other Funds include Community Benefit Fund, Community Facility District Funds, Community Planning Fee Fund, Gas Tax Fund, Equipment Replacement Fund, Housing Authority Fund, Housing and Community Development Fund, Information Technology Replacement Fund, Law Enforcement Grant Funds, Light & Landscape Maintenance District Funds, Measure B Fund, Permit Automation Fund, Public Art Fund, and Solid Waste Services Fund.

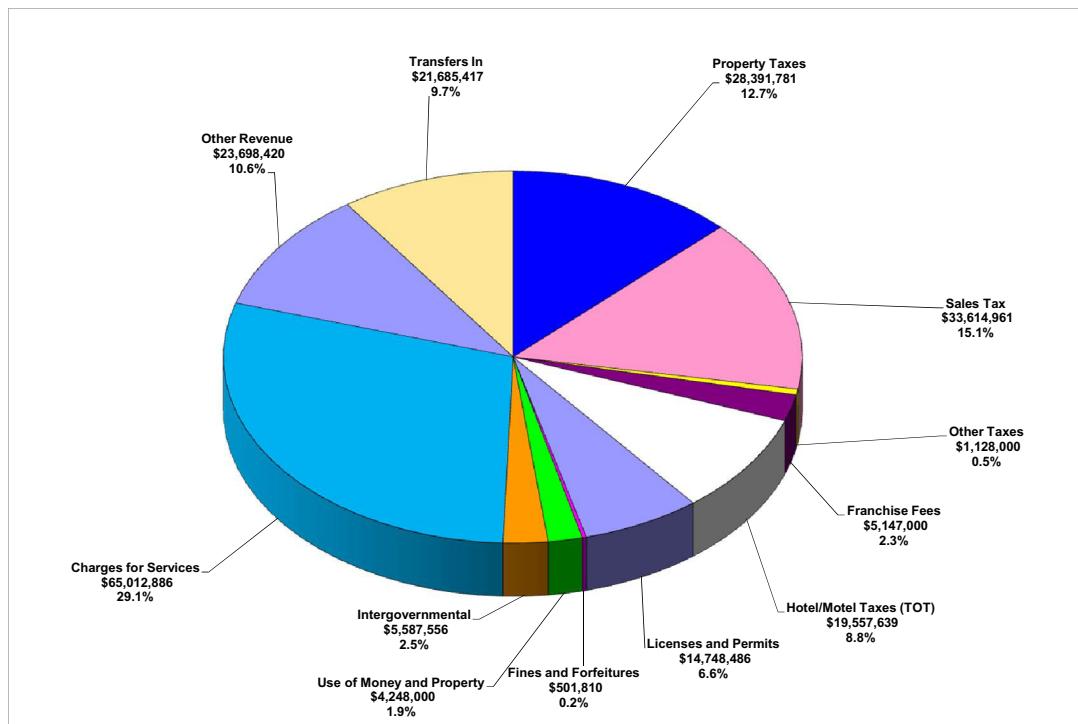
Housing Authority	Other Funds (2)	Capital Projects (3)	Water Fund (4)	Sewer Fund (5)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	210,000	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
115,000	281,000	1,532,000	539,000	514,000
0	3,652,629	489,000	0	0
70,000	5,220,578	0	33,629,267	19,132,127
0	3,304,000	17,954,420	1,139,000	1,060,000
0	2,300,000	13,292,415	0	100,000
185,000	14,968,207	33,267,835	35,307,267	20,806,127
1,364,674	4,071,231	0	0	0
0	0	0	0	0
0	0	(6,909,434)	(23,779,870)	(12,998,513)
0	0	0	25,000,000	35,000,000
1,364,674	4,071,231	(6,909,434)	1,220,130	22,001,487
1,549,674	19,039,438	26,358,401	36,527,397	42,807,614
1,549,674	19,039,438	261,986	28,377,912	13,234,527
0	0	26,021,415	7,924,260	28,540,050
0	0	75,000	225,225	1,033,038
0	0	26,096,415	8,149,485	29,573,088
1,549,674	19,039,438	26,358,401	36,527,397	42,807,615
5,705,326	16,778,769	124,381,434	59,679,870	46,498,513
5,705,326	8,850,000	0	0	0
0	0	124,381,434	54,379,870	27,998,513
0	700,000	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	7,228,769	0	5,300,000	18,500,000
0	0	0	0	0
0	0	0	0	0
5,705,326	16,778,769	124,381,434	59,679,870	46,498,513

(3) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund and Transit Area Impact Fee Fund.

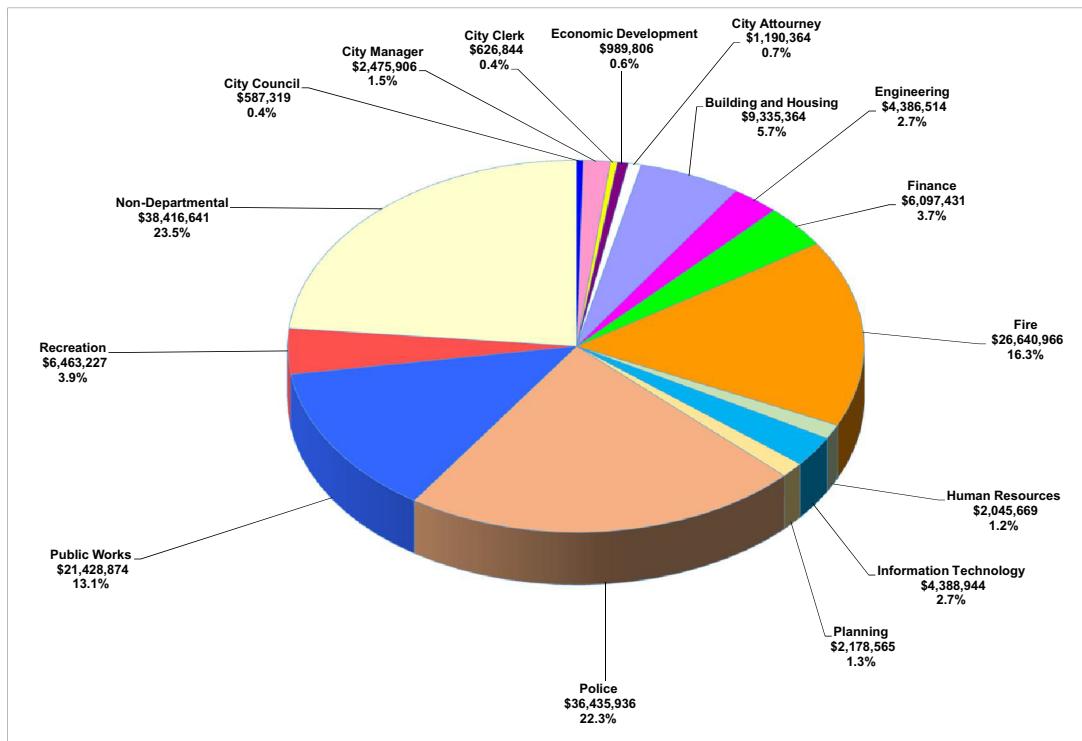
(4) Water Fund includes Water Operations Fund, Water Bonds Fund, Water Fund CIP, Water Line Extension Fund, Water Infrastructure Replacement Fund and Recycled Water Fund.

(5) Sewer Fund includes Sewer Operations Fund, Sewer Bonds Fund, Sewer Fund CIP, Treatment Plant Construction Fund, Sewer 2006 COPs fund and Sewer Infrastructure Replacement Fund.

Distribution of Revenues
2019-2020
(All Funds)

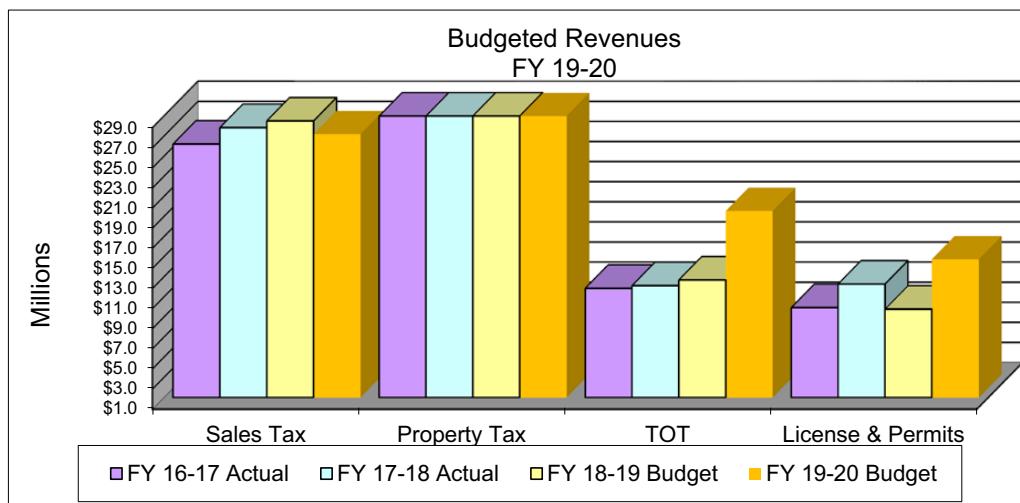


Distribution of Expenditures
2019-2020
(All Funds)



General Fund Revenue Assumptions

CPI	Projected to be in the 2 to 3% increase range based on the average urban Consumer Price Index in the last 10 years for the San Francisco-Oakland-San Jose Metropolitan Areas. CPI is only applied to non-major revenues and only after specific annual trends have been reviewed.
Sales Tax	Staff's assumption for FY 19-20 sales tax revenue is a decrease of 4.2% from the FY 18-19 amended estimate. This is due to the downward business level adjustment from recent actuals trends. An annual average increase of 2.6% is projected from FY 20-21 through FY 24-25. The projected increase is based on estimates from the City's sales tax consultant using actual data as of the fourth quarter in 2018. Sales tax revenues is in line with consumer price index and historical averages.
Property Tax	Property tax revenues are estimated to increase by 4.5% in FY 19-20 from the FY 18-19 amended revenue. This is based on information provided by the City's property tax consultant, with an average growth rate of 3.7% that is representative of the historical and predicted average rate of real property growth. Based a 10 years' average, staff estimates that the California consumer price index in the San Francisco/San Jose metropolitan area will increase at a rate of 2 to 2.5% in each of the next five years and therefore the 2% limit of Proposition 13 will apply.
Transient Occupancy Tax (TOT)	Transient Occupancy tax revenue is projected to increase 26.2% from the amended FY 18-19 budget. This increase is due to anticipated new business openings and the increase of the Transient Occupancy Tax (TOT) from 10% to 14% following a successful ballot measure (November 2018) and Council rate approval, effective January 3, 2019.
License and Permits	Licenses and Permits revenue for FY 19-20 is projected to increase 18.3% from the FY 18-19 amended revenue. This is primarily due to an increase in development activity throughout the City, approved midyear additions to development staff that will reduce the backlog of development work, and the incorporation of \$2.3 million in recommended fees from a Citywide Development Fee Study that was approved by Council as part of the Master Fee schedule on May 15, 2019.



Revenues by Fund (Summary)

	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
100 General Fund	101,878,995	101,761,816	101,234,507	118,415,020
102 Measure I TOT *	2,991,652	2,604,703	2,536,000	0
103 1452-1474 S. Main	355,637	238,950	250,000	125,000
105 Abandon Veh Abatement	67,788	98,328	47,500	47,500
109 Utility Rate Assistance	0	0	0	200,000
150 Redevelopment Administration	103,940	64,560	0	0
211 H-Hetch Ground Lease	15,099	2,078	1,000	1,000
213 Public Art Fund-Nonrestricted	147,158	828	3,000	5,000
214 Community Planning Fee Fund	513,771	470,340	258,000	313,000
215 Community Benefit Fund	0	504,419	0	2,000,000
221 Gas Tax Fund	1,450,109	2,321,766	3,195,310	3,244,629
235 95-1 Lighting/Lscape Dist	306,876	324,346	343,178	361,000
236 98-1 Lighting/Lscape Dist	38,918	40,482	42,000	44,000
237 05 Community Fclty Dist	1,053,909	1,105,018	1,086,896	1,212,000
238 08 Community Fclty Dist	665,206	828,417	900,000	1,700,000
250 HCD Fund	417,808	373,820	425,000	450,000
251 HCD Loan	98,216	1,833	1,000	1,000
261 Supplemental Law Enforcement	169,830	172,907	1,000	2,000
262 State Asset Seizure	3,504	3,780	0	0
263 Federal Asset Seizure	390	812	0	0
267 Justice Assistance Grant	47,082	43,334	0	0
268 Justice Assistance Grant 2009	1,251	14,363	1,000	0
269 Grant Fund	11,576	14,374	0	0
280 Solid Waste Services	996,632	1,086,297	247,000	239,000
295 Housing Authority	907,029	886,290	741,000	185,000
310 Street Fund	(11,546)	4,133	95,000	98,000
311 Street CIP	7,696,912	5,945,266	3,475,000	5,884,415
312 Traffic Impact Fee	1,472	61,811	14,000	27,000
314 Vehicle Registration Fee	458,539	474,013	470,000	460,000
315 Calaveras Widening Impact Fee	244,958	263,741	0	0
316 Montague Widening Impact Fee	2,222	4,630	0	0
317 Milpitas Business Park Impact Fee	4,591	9,564	8,000	11,000
320 Park Improvement Fund	(46,118)	126,538	100,000	199,000
321 Park Improvement CIP	1,675,000	12,075,000	62,958	0
322 Midtown Park Fund	14,895	15,686	2,604,000	1,555,363
330 General Government	2,651,996	362,979	2,928,000	352,000
331 General Government CIP	6,500,785	13,468,416	295,000	6,437,000
340 Storm Drain Development	2,261,433	463,855	783,000	1,058,000
341 Storm Drain CIP	1,515,000	1,515,000	15,000	0
350 Transit Area Impact Fee Fund	24,053,396	28,103,941	25,859,643	17,186,057
351 Transit Area Impact Fee CIP Fund	8,452,644	9,405,198	(2,667,158)	0
400 Water M & O Fund	23,489,999	25,379,771	25,495,000	30,069,848
401 Water CIP	5,015,000	11,020,000	2,330,000	0
402 Water Line Extension Fund	2,214,221	2,284,088	1,055,000	1,032,000
403 Water Bonds	0	0	14,300,000	25,000,000
405 Water Infrastructure Replmnt	4,107,939	4,830,994	5,435,000	4,205,419

* In 2018-19, Fund 102 was merged with the General Fund

Revenues by Fund (Summary)

	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
450 Sewer M & O Fund	16,618,410	17,102,988	18,835,677	19,667,127
451 Sewer CIP	6,440,000	11,305,000	0	0
452 Treatment Plant Construction	2,888,058	1,575,363	1,089,000	1,104,000
453 Sewer 2006 COPS	4	120	0	0
454 Sewer Bonds	0	0	0	35,000,000
455 Sewer Infrastrture Replmnt	14,273	30,853	28,000	35,000
500 Equipment Mgmt Fund	2,537,028	5,287,669	2,950,552	3,555,578
505 Information Tec Replmt	301,490	303,352	300,000	303,000
506 Permit Automation Fund	1,009,489	998,576	623,000	1,537,000
TOTAL	<u>232,354,467</u>	<u>265,382,402</u>	<u>217,797,063</u>	<u>283,321,956</u>

Revenues by Fund (Detail)

Description	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
GENERAL FUND (100)				
PROPERTY TAXES				
3010 Property Taxes, Current	22,194,991	24,075,924	23,951,000	28,391,781
3030 Property Taxes, Supplement	822,581	892,854	823,000	0
3050 Property Taxes, RPTTF Distribution	7,243,941	6,924,240	6,631,000	6,414,919
sub-total	30,261,513	31,893,019	31,405,000	34,806,700
TAXES OTHER THAN PROPERTY				
3110 Sales and Use Tax	26,213,910	27,854,332	28,520,056	27,200,042
3120 Real Estate Transfer Tax	727,728	697,535	750,000	773,000
3131 Electric Franchise	1,379,560	1,411,414	1,420,000	1,463,000
3132 Gas Franchise	166,938	195,741	170,000	175,000
3133 Garbage Franchise-Commercial	1,180,701	1,182,257	2,484,851	2,623,000
3134 Garbage Franchise-NonCommercial	509,101	774,815	0	0
3135 Solid Waste-Community Relations	0	144,581	0	0
3136 Solid Waste-HHW-Contract & Public	0	323,817	0	0
3137 Nitrogen Gas Franchise	55,950	70,474	56,000	58,000
3138 CATV Franchise	578,952	574,709	600,000	618,000
3140 Business License Tax	329,362	328,548	555,000	355,000
3150 Hotel/Motel Tax	9,536,211	9,698,954	10,210,000	19,557,639
sub-total	40,678,416	43,257,176	44,765,907	52,822,681
LICENSES AND PERMITS				
3210 Building Permits	7,545,221	9,923,608	7,199,714	11,552,176
3220 Fire Permits	1,793,370	1,805,331	1,915,000	2,305,256
3240 Life Safety Annual Permits	434,072	344,918	455,000	562,512
3250 Fire Inspections	164,465	208,142	212,000	328,542
sub-total	9,937,129	12,281,999	9,781,714	14,748,486
FINES AND FORFEITURES				
3301 Vehicle Code Fines	150,389	154,896	140,000	164,310
3302 Other Court Fines	159,029	116,767	120,000	121,000
3305 Booking Fees	13,969	9,758	12,000	12,000
3306 NBO Violation Fees	9,550	4,620	8,500	8,500
3307 Impound Fees	90,962	95,306	84,000	85,000
3308 Animal Violations	5,290	9,870	7,000	10,000
3309 False Alarm Fee	61,620	24,350	40,000	40,000
3310 Fire Administrative Citations	68,800	60,300	60,000	61,000
sub-total	559,609	475,867	471,500	501,810
USE OF MONEY AND PROPERTY				
3431 Pooled Investment Interest (Nonalloc)	161,476	334,918	0	0
3433 Other Interest Income	(399,585)	(956,602)	0	0
3434 Pooled Interest Allocation	326,276	812,794	703,000	1,267,000
sub-total	88,167	191,110	703,000	1,267,000
INTERGOVERNMENTAL				
3511 Motor Vehicle In Lieu Tax	33,832	39,695	33,000	34,000
3521 Homeowners Property Tax Relief	75,691	116,705	115,000	118,000
3554 Federal Contributions-Public Works	0	8,008	0	0
3556 Federal Contributions-Recreation	32,946	2,500	0	0
3557 Federal Contributions-Police	23,549	24,319	0	0

Revenues by Fund (Detail)

Description	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
3558 Federal Contributions-Fire	0	62,800	0	616,427
3562 POST Grant	11,733	9,865	0	0
3564 State Contributions-Public Works	0	1,837	0	0
3568 State Contributions-Fire	0	700,192	0	0
3569 State Contributions-Planning	0	0	0	250,000
3575 County Cont-Public Works	273,102	186,273	100,000	100,000
3576 County Contributions-Recreation	77,031	76,370	80,000	80,000
3577 County Contributions-Police	60,093	75,726	60,000	80,000
3581 Other Restricted Grants-General Gov't	151,057	106,403	100,000	100,000
3582 SB90 Grant	46,317	27,131	20,000	20,000
3588 Other Restricted Grants-Fire	0	2,400	0	0
sub-total	785,352	1,440,223	508,000	1,398,427
CHARGES FOR CURRENT SERVICES				
3601 General Government Service Charges	51,781	92,803	78,750	84,000
3602 Sales of Maps and Documents-Gen Gov't	155	108	0	0
3603 Rents, Leases and Concessions-Gen Gov't	281,773	284,713	240,000	290,000
3604 B L Processing Fee	167,497	164,995	160,000	165,000
3609 PJ Legal Reimbursement	140,960	244,981	0	0
3611 PJ Overhead Charges-PW/E	504,879	957,041	1,042,000	1,250,000
3612 PJ Labor Reimbursement-PW/E	176,707	283,555	700,000	300,000
3613 PJ Vendor Reimbursement-PW/E	880,073	566,554	300,000	50,000
3616 Engineering Plan Check Fee	15,264	7,497	2,000	10,389
3617 Planning Fees	5,491	4,588	5,000	327,999
3618 Sales of Maps and Doc-PW/Engr	3,864	1,254	2,000	2,000
3619 Rent,Lease & Concession-PW/Eng	28,000	23,750	25,500	26,000
3631 PJ Overhead Charges - Fire	13,545	10,605	10,000	10,000
3632 PJ Labor Reimbursement - Fire	7,695	5,722	5,000	5,000
3633 Fire Cost Recovery	583,352	2,461	0	0
3634 Unwanted Alarms-Fire	31,200	31,500	40,000	30,000
3636 Fire Enforcement-Training	0	7,941	0	0
3637 Fire Service Charges	273,958	213,291	282,000	220,000
3638 Sale of Maps & Documents-Fire	6	30	0	0
3639 Fire Electroinc Archive Charge	11,332	12,800	10,000	15,000
3641 Police Service Charges	658,567	649,136	660,000	721,100
3643 Fingerprints	556	950	1,000	1,000
3644 Sales of Maps & Documents-Police	10,815	10,128	10,000	10,000
3645 Police Cost Recovery	7,968	0	0	0
3646 Rents, Leases & Concessions-Police	14,400	13,200	0	0
3647 DUI-Police Cost Recovery	15,185	11,433	10,000	10,000
3651 Rents, Leases & Concessions-Recreation	216,952	238,579	287,000	254,386
3652 Recreation Fees	2,026,091	2,252,234	2,525,704	2,691,540
3653 Senior Nutrition Fees	23,153	20,068	25,000	17,000
3654 Sales of Maps & Documents-Recreation	0	13,263	0	0
3655 Sales of Merchandise Recreation	349	251	0	0
3656 Recreation Transaction Fees	34,792	34,735	36,500	38,500
3662 Records Retention Fee-Building	99,247	94,575	75,000	75,000

Revenues by Fund (Detail)

Description	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
3663 Building Service Charges	3,676	2,566	1,500	1,500
3665 PJ Overhead Charges-Building	1,921	1,740	0	0
3666 PJ Labor Reimbursement-Building	977	806	0	0
3667 Building State Mandated Standard Fee	20,599	11,835	15,000	15,000
3672 Public Works Cost Recovery	103,116	0	20,000	0
3681 PJ Overhead Charge-Planning	125,690	227,711	368,000	130,000
3682 PJ Labor Reimbursement-Planning	42,726	78,344	200,000	40,000
3683 PJ Vendor Reimbursement-Planning	93,172	16,712	20,000	1,000
3685 Housing & Neighborhood Services	10,304	17,532	12,000	10,000
3686 Planning Plan Check Fee	15,854	14,763	12,000	12,500
3692 Fire Automation Fee	22,381	22,102	22,000	22,000
	sub-total	6,726,022	6,648,853	7,202,954
OTHER REVENUE				6,835,914
3710 Development	(11,383)	9,342	15,000	15,000
3750 Donations	45,045	27,883	5,000	5,000
3770 Sale of Property, Plant and Equipment	7,276,654	9,543	1,000	1,000
3790 Miscellaneous Other Revenue	108,371	99,801	20,000	20,000
	sub-total	7,418,687	146,568	41,000
OTHER FINANCING SOURCES				41,000
OPERATING TRANSFERS IN				
3806 Op Trfs in from Solid Waste Service	282,000	248,000	286,244	99,456
3812 Op Trfs in from Water Fund	2,633,000	2,594,000	3,162,936	2,725,061
3815 Op Trfs in from Sewer Fund	1,641,000	1,685,000	2,006,252	1,568,485
3819 Op Trfs in from Other	859,000	900,000	900,000	1,600,000
3852 Appn Tfr in from General Gov't Fund	9,100	0	0	0
	sub-total	5,424,100	5,427,000	6,355,432
	TOTAL (100)	101,878,995	101,761,816	101,234,507
				118,415,020
MEASURE I TOT (102)*				
3150 Hotel/Motel Tax	2,321,647	2,422,562	2,483,000	0
3431 Pooled Investment Interest (Nonalloc)	(9,685)	7,104	0	0
3433 Other Interest Income	47,542	0	0	0
3434 Pooled Interest Allocation	32,149	50,496	53,000	0
3822 Op Trfs in from General Gov't Fund	0	108,546	0	0
3826 Op Trfs in from Measure I TOT Fund	600,000	15,996	0	0
	TOTAL (102)	104,870,647	104,366,519	103,770,507
				118,415,020
1452-1474 S. MAIN (103)				
3431 Pooled Investment Interest (Nonalloc)	670	1,425	0	0
3434 Pooled Interest Allocation	3,741	9,222	0	0
3603 Rents, Leases and Concessions-Gen Gov't	351,227	228,303	250,000	125,000
	TOTAL (103)	355,637	238,950	250,000
				125,000
ABANDON VEH ABATEMENT (105)				
3577 County Contributions-Police	61,633	67,280	47,500	47,500
3899 Op Trfs in from Subsidiary CIP Fund	6,155	31,048	0	0
	TOTAL (105)	67,788	98,328	47,500
				47,500
UTILITY RATE ASSISTANCE (109)				
3790 Miscellaneous Other Revenue	0	0	0	200,000

* In 2018-19, Fund 102 was merged with the General Fund

Revenues by Fund (Detail)

Description	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
TOTAL (109)	0	0	0	200,000
REDEVELOPMENT ADMINISTRATION (150)				
3899 Op Trfs in from Subsidiary CIP Fund	103,940	64,560	0	0
TOTAL (150)	103,940	64,560	0	0
H-HETCH GROUND LEASE (211)				
3431 Pooled Investment Interest (Nonalloc)	21,060	21,982	0	0
3433 Other Interest Income	(6,406)	(20,724)	0	0
3434 Pooled Interest Allocation	444	819	1,000	1,000
TOTAL (211)	15,099	2,078	1,000	1,000
PUBLIC ART FUND-NONRESTRICTED (213)				
3431 Pooled Investment Interest (Nonalloc)	246	302	0	0
3433 Other Interest Income	(1,391)	(2,483)	0	0
3434 Pooled Interest Allocation	1,035	3,009	3,000	5,000
3760 Developer Contribution	147,267	0	0	0
TOTAL (213)	147,158	828	3,000	5,000
COMMUNITY PLANNING FEE FUND (214)				
3431 Pooled Investment Interest (Nonalloc)	494	2,588	0	0
3434 Pooled Interest Allocation	3,526	8,375	8,000	15,000
3617 Planning Fees	509,750	459,376	250,000	298,000
TOTAL (214)	513,771	470,340	258,000	313,000
COMMUNITY BENEFIT FUND (215)				
3434 Pooled Interest Allocation	0	4,419	0	0
3760 Developer Contribution	0	500,000	0	0
3831 Appn Transfers in from General Fund	0	0	0	2,000,000
TOTAL (215)	0	504,419	0	2,000,000
GAS TAX FUND (221)				
3431 Pooled Investment Interest (Nonalloc)	(7,395)	2,591	0	0
3434 Pooled Interest Allocation	15,043	20,287	23,000	42,000
3543 Sec 2103-Gas Tax	201,569	379,393	663,867	638,502
3545 Sec 2105-Gas Tax	424,346	409,225	434,156	416,491
3546 Sec 2106-Gas Tax	286,020	268,221	275,866	269,660
3547 Sec 2107-Gas Tax	523,025	532,582	538,659	546,912
3548 Sec 2107.5-Gas Tax	7,500	7,500	7,500	7,500
3549 Sec 2032-RM&R	0	441,869	1,252,262	1,323,564
3802 Op Trfs in from Gas Tax Fund	0	260,099	0	0
TOTAL (221)	1,450,109	2,321,766	3,195,310	3,244,629
95-1 LIGHTING/LSCAPE DIST (235)				
3431 Pooled Investment Interest (Nonalloc)	36	(187)	0	0
3433 Other Interest Income	274	209	0	0
3434 Pooled Interest Allocation	1,409	1,549	2,000	1,000
3720 Special Assessments	305,158	322,775	341,178	360,000
TOTAL (235)	306,876	324,346	343,178	361,000
98-1 LIGHTING/LSCAPE DIST (236)				
3431 Pooled Investment Interest (Nonalloc)	(12)	54	0	0
3433 Other Interest Income	36	27	0	0
3434 Pooled Interest Allocation	164	334	0	0

Revenues by Fund (Detail)

Description	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
3720 Special Assessments	38,730	40,067	42,000	44,000
TOTAL (236)	38,918	40,482	42,000	44,000
05 COMMUNITY FCLTY DIST (237)				
3431 Pooled Investment Interest (Nonalloc)	130	1,747	0	0
3433 Other Interest Income	846	724	0	0
3434 Pooled Interest Allocation	3,182	8,231	7,000	12,000
3720 Special Assessments	1,049,751	1,094,316	1,079,896	1,200,000
TOTAL (237)	1,053,909	1,105,018	1,086,896	1,212,000
08 COMMUNITY FCLTY DIST (238)				
3431 Pooled Investment Interest (Nonalloc)	1,690	(1,790)	0	0
3433 Other Interest Income	322	456	0	0
3434 Pooled Interest Allocation	1,983	0	0	0
3720 Special Assessments	661,212	829,751	900,000	1,700,000
TOTAL (238)	665,206	828,417	900,000	1,700,000
HCD FUND (250)				
3559 Federal Contributions-Planning	417,808	373,820	425,000	450,000
TOTAL (250)	417,808	373,820	425,000	450,000
HCD LOAN (251)				
3433 Other Interest Income	1,163	1,833	0	0
3434 Pooled Interest Allocation	0	0	1,000	1,000
3559 Federal Contributions-Planning	97,053	0	0	0
TOTAL (251)	98,216	1,833	1,000	1,000
SUPPLEMENTAL LAW ENFORCEMENT (261)				
3431 Pooled Investment Interest (Nonalloc)	(485)	282	0	0
3434 Pooled Interest Allocation	1,394	1,688	1,000	2,000
3567 State Contributions-Police	168,922	170,938	0	0
TOTAL (261)	169,830	172,907	1,000	2,000
STATE ASSET SEIZURE (262)				
3431 Pooled Investment Interest (Nonalloc)	(133)	80	0	0
3434 Pooled Interest Allocation	519	684	0	0
3567 State Contributions-Police	3,118	3,016	0	0
TOTAL (262)	3,504	3,780	0	0
FEDERAL ASSET SEIZURE (263)				
3431 Pooled Investment Interest (Nonalloc)	(66)	75	0	0
3434 Pooled Interest Allocation	456	737	0	0
TOTAL (263)	390	812	0	0
JUSTICE ASSISTANCE GRANT (267)				
3557 Federal Contributions-Police	47,082	43,334	0	0
TOTAL (267)	47,082	43,334	0	0
JUSTICE ASSISTANCE GRANT 2009 (268)				
3431 Pooled Investment Interest (Nonalloc)	289	81	0	0
3434 Pooled Interest Allocation	962	1,207	1,000	0
3567 State Contributions-Police	0	13,074	0	0
TOTAL (268)	1,251	14,363	1,000	0
GRANT FUND (269)				
3431 Pooled Investment Interest (Nonalloc)	0	0	0	0

Revenues by Fund (Detail)

Description	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
3434 Pooled Interest Allocation	(54)	0	0	0
3558 Federal Contributions-Fire	11,630	14,374	0	0
TOTAL (269)	11,576	14,374	0	0
SOLID WASTE SERVICES (280)				
3135 Solid Waste-Community Relations	166,536	85,392	0	0
3136 Solid Waste-HHW-Contract & Public	265,733	114,533	0	0
3139 County-wide AB 939 Fee	213,747	244,519	210,000	210,000
3431 Pooled Investment Interest (Nonalloc)	(2,498)	2,924	0	0
3434 Pooled Interest Allocation	12,259	21,692	19,000	29,000
3565 State Contri-Public Works	14,690	16,568	18,000	0
3615 Public Works and Engr Fees	112,306	72,576	0	0
3671 Public Works Service Charges	210,941	99,340	0	0
3740 Reimbursements	0	425,000	0	0
3790 Miscellaneous Other Revenue	2,918	3,754	0	0
TOTAL (280)	996,632	1,086,297	247,000	239,000
HOUSING AUTHORITY (295)				
3431 Pooled Investment Interest (Nonalloc)	(5,683)	7,050	0	0
3433 Other Interest Income	650,089	646,939	500,000	0
3434 Pooled Interest Allocation	55,927	92,542	91,000	115,000
3603 Rents, Leases and Concessions-Gen Gov't	153,209	139,757	150,000	70,000
3770 Sale of Property, Plant and Equipment	47,944	1	0	0
3790 Miscellaneous Other Revenue	5,543	0	0	0
TOTAL (295)	907,029	886,290	741,000	185,000
STREET FUND (310)				
3431 Pooled Investment Interest (Nonalloc)	1,717	11,010	0	0
3433 Other Interest Income	(77,217)	(115,186)	0	0
3434 Pooled Interest Allocation	63,954	108,309	95,000	98,000
TOTAL (310)	(11,546)	4,133	95,000	98,000
STREET CIP (311)				
3575 County Cont-Public Works	206,912	353,188	0	0
3760 Developer Contribution	0	100,161	0	0
3802 Op Trfs in from Gas Tax Fund	2,950,000	2,000,000	1,775,000	4,395,000
3812 Op Trfs in from Water Fund	250,000	0	0	0
3815 Op Trfs in from Sewer Fund	250,000	100,000	100,000	0
3819 Op Trfs in from Other	0	0	0	1,489,415
3822 Op Trfs in from General Gov't Fund	0	1,291,917	0	0
3824 Op Trfs in Transit Area Fund	40,000	0	0	0
3826 Op Trfs in from Measure I TOT Fund	2,150,000	1,600,000	1,600,000	0
3831 Appn Transfers in from General Fund	200,000	0	0	0
3849 Other Appn Transfers In	1,200,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	450,000	500,000	0	0
TOTAL (311)	7,696,912	5,945,266	3,475,000	5,884,415
TRAFFIC IMPACT FEE (312)				
3434 Pooled Interest Allocation	1,472	2,573	14,000	27,000
3710 Development	0	9,239	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	50,000	0	0

Revenues by Fund (Detail)

Description	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
TOTAL (312)	1,472	61,811	14,000	27,000
VEHICLE REGISTRATION FEE (314)				
3431 Pooled Investment Interest (Nonalloc)	(228)	180	0	0
3434 Pooled Interest Allocation	1,570	2,694	0	0
3575 County Cont-Public Works	457,197	463,140	470,000	460,000
3829 Op Trfs in from Vehicle Registration Fee	0	7,998	0	0
TOTAL (314)	458,539	474,013	470,000	460,000
CALAVERAS WIDENING IMPACT FEE (315)				
3431 Pooled Investment Interest (Nonalloc)	464	1,470	0	0
3434 Pooled Interest Allocation	1,745	6,588	0	0
3710 Development	207,550	255,683	0	0
3899 Op Trfs in from Subsidiary CIP Fund	35,200	0	0	0
TOTAL (315)	244,958	263,741	0	0
MONTAGUE WIDENING IMPACT FEE (316)				
3431 Pooled Investment Interest (Nonalloc)	(375)	428	0	0
3434 Pooled Interest Allocation	2,597	4,202	0	0
TOTAL (316)	2,222	4,630	0	0
MILPITAS BUSINESS PARK IMPACT FEE (317)				
3431 Pooled Investment Interest (Nonalloc)	(774)	884	0	0
3434 Pooled Interest Allocation	5,365	8,680	8,000	11,000
TOTAL (317)	4,591	9,564	8,000	11,000
PARK IMPROVEMENT FUND (320)				
3431 Pooled Investment Interest (Nonalloc)	(17,510)	25,590	0	0
3433 Other Interest Income	(100,953)	(139,358)	0	0
3434 Pooled Interest Allocation	72,346	132,910	100,000	199,000
3822 Op Trfs in from General Gov't Fund	0	107,395	0	0
TOTAL (320)	(46,118)	126,538	100,000	199,000
PARK IMPROVEMENT CIP (321)				
3575 County Cont-Public Works	0	0	62,958	0
3815 Op Trfs in from Sewer Fund	0	500,000	0	0
3822 Op Trfs in from General Gov't Fund	0	1,525,000	0	0
3824 Op Trfs in Transit Area Fund	0	3,250,000	0	0
3854 Appn Tfr in from Transit Area Fund	400,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	1,275,000	6,800,000	0	0
TOTAL (321)	1,675,000	12,075,000	62,958	0
MIDTOWN PARK FUND (322)				
3431 Pooled Investment Interest (Nonalloc)	(4,890)	(3,931)	0	0
3434 Pooled Interest Allocation	19,785	19,617	29,000	35,000
3710 Development	0	0	1,200,000	1,520,363
3899 Op Trfs in from Subsidiary CIP Fund	0	0	1,375,000	0
TOTAL (322)	14,895	15,686	2,604,000	1,555,363
GENERAL GOVERNMENT (330)				
3431 Pooled Investment Interest (Nonalloc)	6,839	17,590	0	0
3434 Pooled Interest Allocation	210,318	297,968	278,000	352,000
3801 Op Trfs in from General Fund	0	0	2,650,000	0
3823 Op Trfs in Storm Drain Fund	164,838	47,420	0	0

Revenues by Fund (Detail)

Description	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
3831 Appn Transfers in from General Fund	2,070,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	200,000	0	0	0
TOTAL (330)	2,651,996	362,979	2,928,000	352,000
GENERAL GOVERNMENT CIP (331)				
3567 State Contributions-Police	96,785	0	0	0
3585 Other Res Grant-Public Works	0	0	0	29,000
3710 Development	0	0	0	(500,000)
3801 Op Trfs in from General Fund	0	0	0	4,000,000
3802 Op Trfs in from Gas Tax Fund	0	0	0	800,000
3810 Op Trfs in from Park Improvement	300,000	0	0	0
3812 Op Trfs in from Water Fund	100,000	0	0	0
3815 Op Trfs in from Sewer Fund	100,000	103,200	0	0
3817 Op Trfs in from Equipment Replacement	0	2,060,000	0	0
3819 Op Trfs in from Other	200,000	400,000	200,000	2,000,000
3826 Op Trfs in from Measure I TOT Fund	150,000	0	0	0
3827 Op Trfs in from LLMD Fund	93,256	100,000	95,000	108,000
3836 Appn Trfs in from Solid Waste Services	200,000	0	0	0
3847 Appn Transfers in from Equipment	83,204	200,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	5,177,540	10,605,216	0	0
TOTAL (331)	6,500,785	13,468,416	295,000	6,437,000
STORM DRAIN DEVELOPMENT (340)				
3431 Pooled Investment Interest (Nonalloc)	1,849	10,736	0	0
3434 Pooled Interest Allocation	34,545	76,362	66,000	108,000
3565 State Contri-Public Works	49,640	0	0	0
3710 Development	1,675,400	376,756	500,000	450,000
3831 Appn Transfers in from General Fund	500,000	0	0	500,000
3899 Op Trfs in from Subsidiary CIP Fund	0	0	217,000	0
TOTAL (340)	2,261,433	463,855	783,000	1,058,000
STORM DRAIN CIP (341)				
3815 Op Trfs in from Sewer Fund	0	0	15,000	0
3822 Op Trfs in from General Gov't Fund	830,000	400,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	685,000	1,115,000	0	0
TOTAL (341)	1,515,000	1,515,000	15,000	0
TRANSIT AREA IMPACT FEE FUND (350)				
3431 Pooled Investment Interest (Nonalloc)	14,436	56,065	0	0
3434 Pooled Interest Allocation	214,896	427,477	379,000	702,000
3710 Development	23,674,063	27,620,399	25,000,000	16,484,057
3812 Op Trfs in from Water Fund	0	0	480,643	0
3899 Op Trfs in from Subsidiary CIP Fund	150,000	0	0	0
TOTAL (350)	24,053,396	28,103,941	25,859,643	17,186,057
TRANSIT AREA IMPACT FEE CIP FUND (351)				
3561 State Contributions-General Gov't	0	0	(2,700,000)	0
3575 County Cont-Public Works	697,362	1,102,638	32,842	0
3760 Developer Contribution	80,282	202,560	0	0
3810 Op Trfs in from Park Improvement	150,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	7,525,000	8,100,000	0	0

Revenues by Fund (Detail)

Description	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
TOTAL (351)	8,452,644	9,405,198	(2,667,158)	0
WATER M & O FUND (400)				
3431 Pooled Investment Interest (Nonalloc)	(12,991)	54,052	0	0
3433 Other Interest Income	(181,229)	(335,623)	0	0
3434 Pooled Interest Allocation	141,930	285,560	225,000	449,000
3554 Federal Contributions-Public Works	0	498	0	0
3584 Other Restricted Grants-Public Works	0	200	0	0
3585 Other Res Grant-Public Works	88,515	123,599	140,000	0
3621 Water Charges	0	4,239	0	0
3623 Metered Water Sales	21,975,908	8,839,468	24,900,000	29,390,848
3626 Construction Water	99,349	157,995	100,000	100,000
3671 Public Works Service Charges	0	2,115,936	0	0
3672 Public Works Cost Recovery	8,479	10,636,006	0	0
3673 Irrigation Meter Charge	0	285,051	0	0
3674 Irrigation Consumption	0	1,377,726	0	0
3675 Fire Line Meter Charge	0	386,981	0	0
3676 Fire Line Consumption	0	11,666	0	0
3677 Recycle Meter Charge	0	125,685	0	0
3678 Recycle Consumption	0	783,704	0	0
3790 Miscellaneous Other Revenue	137,719	131,136	130,000	130,000
3981 Contributions-Proprietary Fund	814,113	195,894	0	0
3809 Op Trfs in from Street Fund	18,207	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	400,000	200,000	0	0
TOTAL (400)	23,489,999	25,379,771	25,495,000	30,069,848
WATER CIP (401)				
3810 Op Trfs in from Park Improvement	0	200,000	0	0
3815 Op Trfs in from Sewer Fund	125,000	0	0	0
3824 Op Trfs in Transit Area Fund	0	2,075,000	0	0
3854 Appn Tfr in from Transit Area Fund	1,200,000	0	2,330,000	0
3899 Op Trfs in from Subsidiary CIP Fund	3,690,000	8,745,000	0	0
TOTAL (401)	5,015,000	11,020,000	2,330,000	0
WATER LINE EXTENSION FUND (402)				
3431 Pooled Investment Interest (Nonalloc)	(1,594)	(4,731)	0	0
3434 Pooled Interest Allocation	22,915	28,889	46,000	23,000
3710 Development	2,183,279	1,042,356	1,000,000	1,000,000
3790 Miscellaneous Other Revenue	9,621	9,621	9,000	9,000
3812 Op Trfs in from Water Fund	0	7,952	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	1,200,000	0	0
TOTAL (402)	2,214,221	2,284,088	1,055,000	1,032,000
WATER BONDS (403)				
3970 Bond Proceeds	0	0	14,300,000	25,000,000
TOTAL (403)	0	0	14,300,000	25,000,000
WATER INFRASTRUCTURE REPLMNT (405)				
3431 Pooled Investment Interest (Nonalloc)	6,181	5,350	0	0
3434 Pooled Interest Allocation	14,681	31,442	35,000	67,000
3629 Capital Surcharge	4,087,076	4,794,202	5,400,000	4,138,419

Revenues by Fund (Detail)

Description	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
TOTAL (405)	4,107,939	4,830,994	5,435,000	4,205,419
SEWER M & O FUND (450)				
3431 Pooled Investment Interest (Nonalloc)	(22,664)	28,286	0	0
3433 Other Interest Income	(279,916)	(326,920)	0	0
3434 Pooled Interest Allocation	181,659	288,531	265,000	375,000
3554 Federal Contributions-Public Works	0	545	0	0
3584 Other Restricted Grants-Public Works	0	200	0	0
3627 Water & Sewer Reimbursements	0	7,446,113	0	0
3628 Sewer Service Charges	16,651,740	9,606,075	16,800,000	19,132,127
3790 Miscellaneous Other Revenue	69,384	60,159	64,000	60,000
3809 Op Trfs in from Street Fund	18,207	0	0	100,000
3899 Op Trfs in from Subsidiary CIP Fund	0	0	1,706,677	0
TOTAL (450)	16,618,410	17,102,988	18,835,677	19,667,127
SEWER CIP (451)				
3899 Op Trfs in from Subsidiary CIP Fund	6,440,000	11,305,000	0	0
TOTAL (451)	6,440,000	11,305,000	0	0
TREATMENT PLANT CONSTRUCTION (452)				
3431 Pooled Investment Interest (Nonalloc)	(2,000)	3,315	0	0
3434 Pooled Interest Allocation	53,683	81,788	89,000	104,000
3710 Development	2,836,375	1,490,260	1,000,000	1,000,000
TOTAL (452)	2,888,058	1,575,363	1,089,000	1,104,000
SEWER 2006 COPS (453)				
3432 Cash with Fiscal Agents	4	120	0	0
TOTAL (453)	4	120	0	0
SEWER BONDS (454)				
3980 Other Financing Sources	0	0	0	35,000,000
TOTAL (454)	0	0	0	35,000,000
SEWER INFRASTRUCTURE REPLMT (455)				
3431 Pooled Investment Interest (Nonalloc)	(6,371)	2,281	0	0
3434 Pooled Interest Allocation	20,644	28,572	28,000	35,000
TOTAL (455)	14,273	30,853	28,000	35,000
EQUIPMENT MGMT FUND (500)				
3431 Pooled Investment Interest (Nonalloc)	(8,598)	5,749	0	0
3433 Other Interest Income	(90,732)	(102,240)	0	0
3434 Pooled Interest Allocation	72,327	107,678	111,000	133,000
3619 Rent,Lease & Concession-PW/Eng	900	800	0	0
3671 Public Works Service Charges	2,393,310	2,684,375	2,839,552	3,422,578
3672 Public Works Cost Recovery	50,274	0	0	0
3770 Sale of Property, Plant and Equipment	0	4,191	0	0
3790 Miscellaneous Other Revenue	3,895	77,268	0	0
3981 Contributions-Proprietary Fund	97,675	2,509,847	0	0
3822 Op Trfs in from General Gov't Fund	17,978	0	0	0
TOTAL (500)	2,537,028	5,287,669	2,950,552	3,555,578
INFORMATION TEC REPLMT (505)				
3431 Pooled Investment Interest (Nonalloc)	104	877	0	0
3434 Pooled Interest Allocation	1,386	2,475	0	3,000

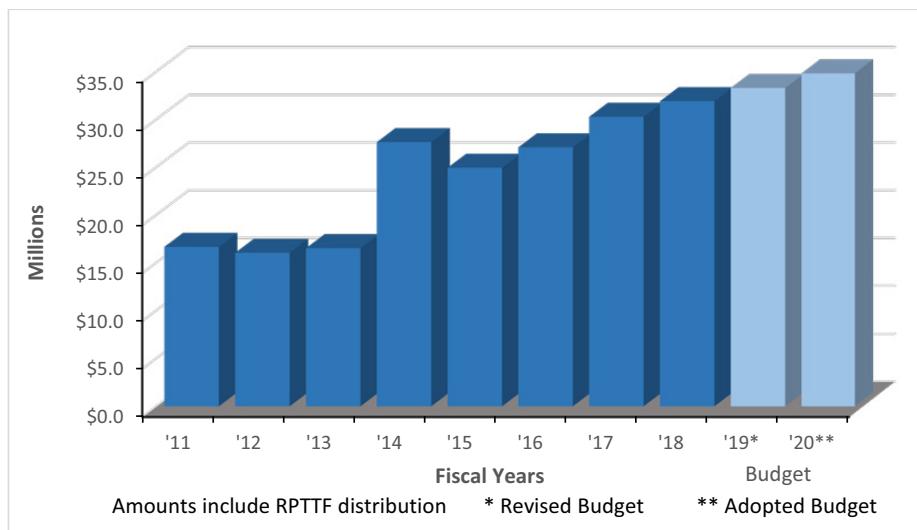
Revenues by Fund (Detail)

Description	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
3801 Op Trfs in from General Fund	300,000	300,000	300,000	300,000
TOTAL (505)	301,490	303,352	300,000	303,000
PERMIT AUTOMATION FUND (506)				
3431 Pooled Investment Interest (Nonalloc)	(558)	2,916	0	0
3434 Pooled Interest Allocation	12,872	24,393	23,000	37,000
3601 General Government Service Charges	997,174	971,268	600,000	1,500,000
TOTAL (506)	1,009,489	998,576	623,000	1,537,000
TOTAL	232,354,467	265,382,402	217,797,063	283,321,956

History of Property Tax Revenue

General Fund

2011 through 2020

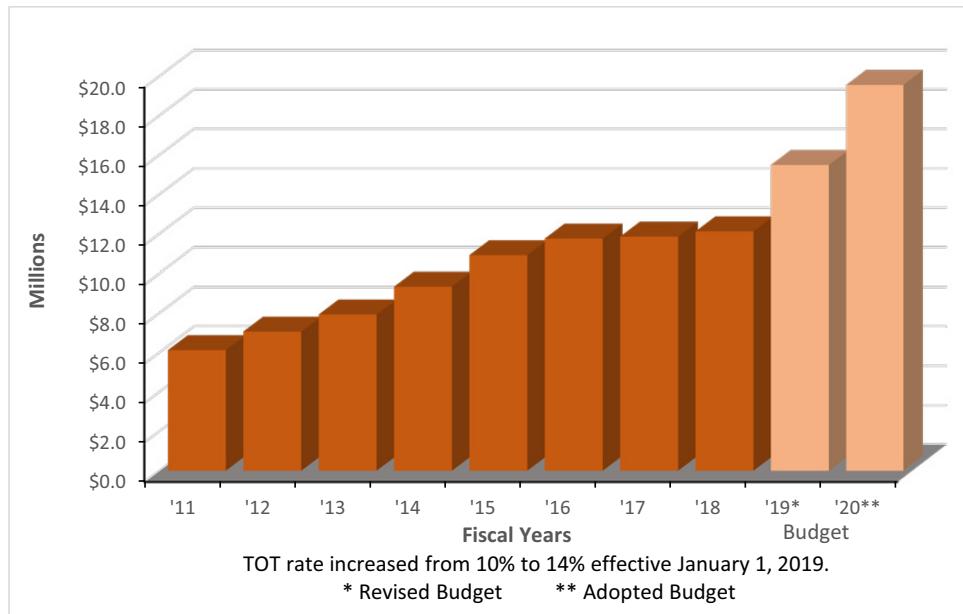


Santa Clara County assesses and bills, collects and distributes property tax to the City

History of Transient Occupancy Tax Revenue

General Fund

2011 through 2020

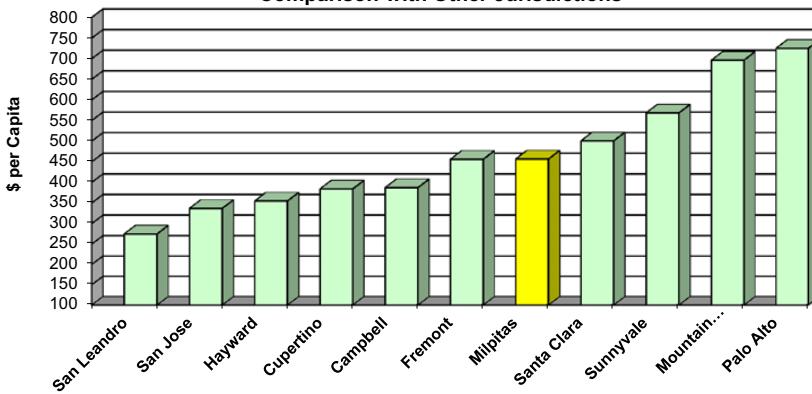


Property Tax, Comparison with Other Jurisdictions

FY 2015-16 through FY 2019-20

City	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budgeted 2018-19	Budgeted 2019-20
Milpitas	\$27,068,110	\$30,261,513	\$31,893,019	\$31,405,000	\$34,806,700
% of General Fund	35%	31%	32%	32%	31%
Per Capita	365.09	400.70	429.09	418.85	456.60
Campbell	\$12,075,059	\$13,032,100	\$14,004,162	\$15,278,000	\$16,932,000
% of General Fund	24%	26%	27%	29%	30%
Per Capita	283.56	307.56	327.45	353.25	387.24
Cupertino	\$18,139,368	\$20,219,077	\$22,433,806	\$22,766,000	\$24,703,218
% of General Fund	27%	21%	25%	30%	28%
Per Capita	311.75	333.27	370.37	355.01	383.92
Fremont	\$79,388,000	\$86,698,000	\$93,363,000	\$97,443,000	\$106,016,000
% of General Fund	43%	48%	47%	49%	49%
Per Capita	348.14	378.06	403.01	413.88	455.92
Hayward	\$44,159,000	\$47,195,566	\$51,236,000	\$53,267,000	\$56,949,000
% of General Fund	29%	30%	32%	33%	33%
Per Capita	277.55	296.63	336.19	344.75	354.82
Mountain View	\$39,460,578	\$43,773,612	\$49,418,921	\$52,908,540	\$57,091,200
% of General Fund	34%	35%	36%	38%	38%
Per Capita	506.46	558.37	614.02	654.81	696.30
Palo Alto	\$36,607,000	\$39,381,477	\$42,839,000	\$45,332,000	\$48,634,000
% of General Fund	19%	22%	22%	23%	23%
Per Capita	554.41	588.06	644.41	680.16	724.99
San Jose	\$263,299,078	\$276,388,433	\$306,222,332	\$327,950,000	\$354,000,000
% of General Fund	25%	25%	24%	24%	30%
Per Capita	255.62	266.70	292.73	311.94	336.72
San Leandro	\$20,044,219	\$20,858,028	\$22,994,212	\$22,156,000	\$24,440,919
% of General Fund	19%	20%	21%	20%	21%
Per Capita	228.55	236.14	260.32	246.99	274.62
Santa Clara	\$45,621,226	\$50,920,368	\$55,008,928	\$60,300,000	\$64,438,315
% of General Fund	23%	24%	23%	24%	25%
Per Capita	377.12	411.47	439.48	468.21	500.62
Sunnyvale	\$62,390,637	\$66,608,795	\$74,349,897	\$83,822,456	\$88,427,248
% of General Fund	35%	39%	36%	41%	42%
Per Capita	421.48	448.93	496.23	546.47	568.42

FY 19-20 Property Tax - Per Capita - Comparison with Other Jurisdictions

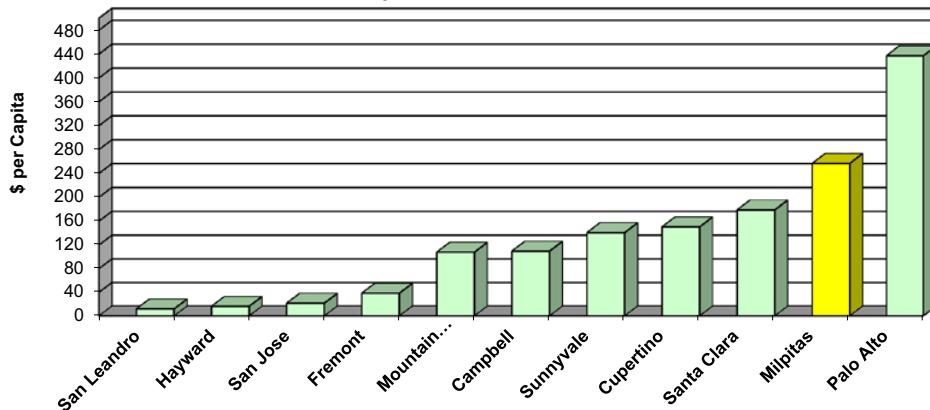


Transient Occupancy Tax, Comparison with Other Jurisdictions

FY 2015-16 through FY 2019-20

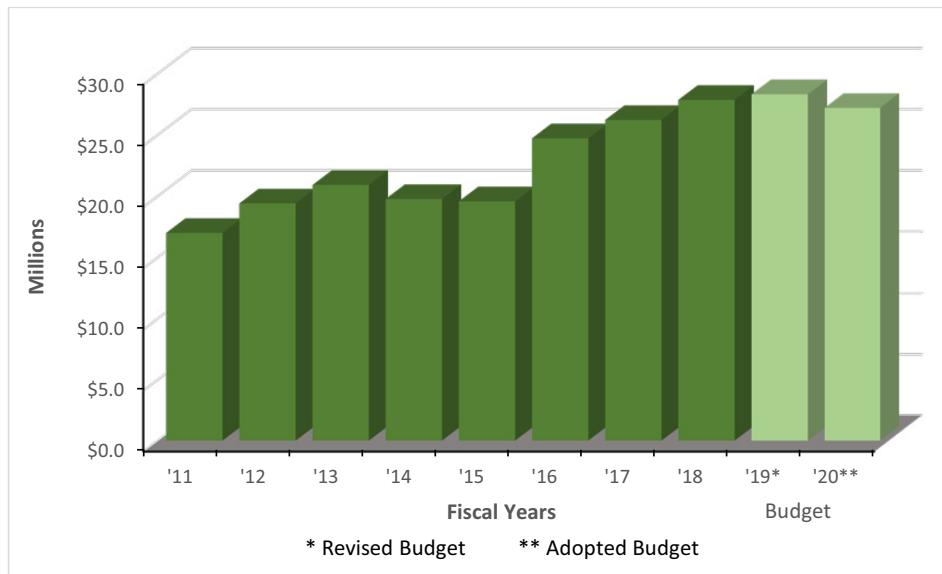
City	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budgeted 2018-19	Budgeted 2019-20
Milpitas	\$9,401,800	\$9,536,211	\$12,121,515	\$12,693,000	\$19,557,639
% of General Fund	12%	10%	12%	13%	17%
Per Capita	126.81	126.27	163.08	169.29	256.56
Campbell	\$4,439,668	\$4,420,208	\$4,554,949	\$4,600,000	\$4,785,400
% of General Fund	9%	9%	9%	9%	9%
Per Capita	104.26	104.32	106.51	106.36	109.44
Cupertino	\$5,226,291	\$6,023,681	\$6,810,718	\$8,252,000	\$9,666,056
% of General Fund	8%	6%	8%	11%	11%
Per Capita	89.82	99.29	112.44	128.68	150.22
Fremont	\$8,087,000	\$8,391,000	\$8,620,000	\$8,837,000	\$8,888,000
% of General Fund	4%	5%	4%	4%	4%
Per Capita	35.46	36.59	37.21	37.53	38.22
Hayward	\$2,591,000	\$2,559,873	\$2,808,000	\$2,077,000	\$2,600,000
% of General Fund	2%	2%	2%	1%	2%
Per Capita	16.28	16.09	18.43	13.44	16.20
Mountain View	\$6,590,636	\$7,042,794	\$7,057,226	\$7,358,800	\$8,832,600
% of General Fund	6%	6%	5%	5%	6%
Per Capita	84.59	89.84	87.68	91.07	107.73
Palo Alto	\$22,366,000	\$23,477,173	\$24,937,000	\$25,049,000	\$29,309,000
% of General Fund	12%	13%	13%	13%	14%
Per Capita	338.73	350.57	375.12	375.83	436.91
San Jose	\$16,564,848	\$18,274,899	\$19,530,772	\$20,700,000	\$22,500,000
% of General Fund	2%	2%	2%	1%	2%
Per Capita	16.08	17.63	18.67	19.69	21.40
San Leandro	\$609,652	\$711,406	\$784,147	\$854,900	\$1,051,823
% of General Fund	0.57%	0.67%	0.70%	0.78%	0.90%
Per Capita	6.95	8.05	8.88	9.53	11.82
Santa Clara	\$20,034,096	\$20,069,227	\$21,419,237	\$21,000,000	\$23,002,500
% of General Fund	10%	9%	9%	8%	9%
Per Capita	165.61	162.17	171.13	163.06	178.71
Sunnyvale	\$16,295,589	\$16,589,743	\$17,741,915	\$20,660,255	\$21,861,049
% of General Fund	9%	10%	9%	10%	10%
Per Capita	110.08	111.81	118.41	134.69	140.52

FY 19-20 Transient Occupancy Tax - Per Capita - Comparison with Other Jurisdictions



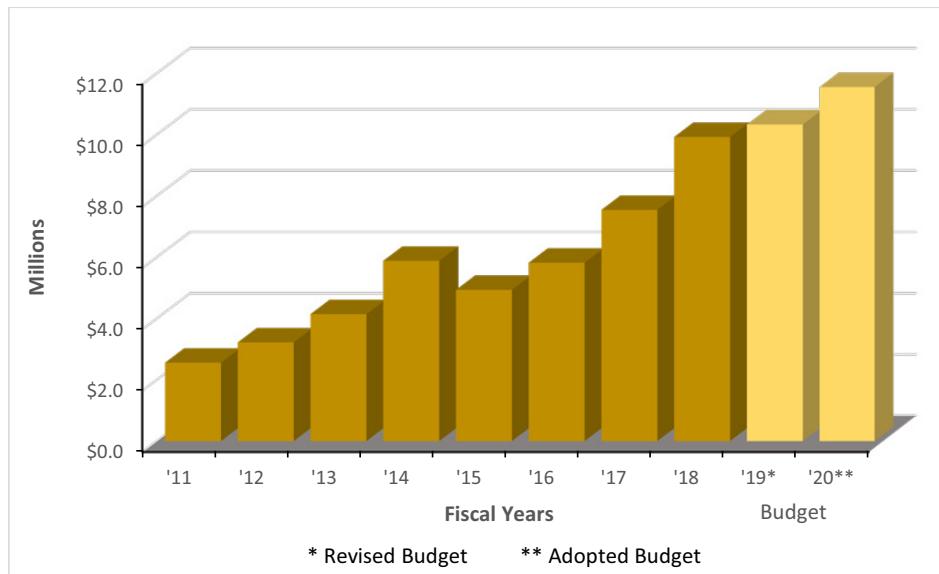
History of Sales Tax Revenue

General Fund
2011 through 2020



History of Building Permit Revenue

General Fund
2011 through 2020

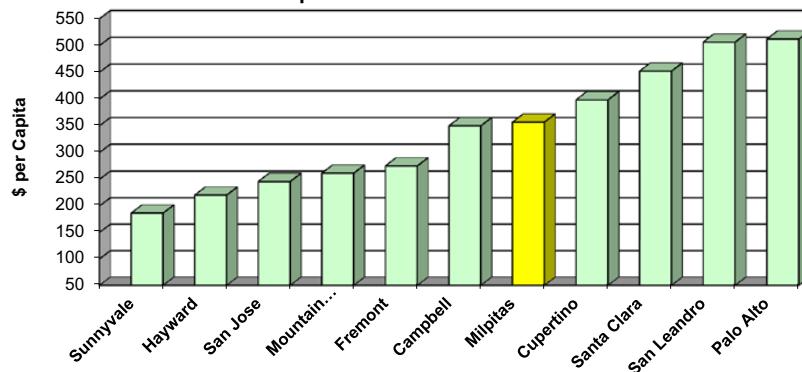


Sales Tax, Comparison with Other Jurisdictions

FY 2015-16 through FY 2019-20

City	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budgeted 2018-19	Budgeted 2019-20
Milpitas	\$24,718,975	\$26,213,910	\$27,854,332	\$28,520,056	\$27,200,042
% of General Fund	32%	27%	28%	29%	24%
Per Capita	333.41	347.11	374.75	380.37	356.81
Campbell	\$14,818,496	\$14,297,751	\$14,859,014	\$14,656,000	\$15,299,100
% of General Fund	30%	29%	29%	28%	27%
Per Capita	347.98	337.43	347.44	338.87	349.89
Cupertino	\$21,350,056	\$26,932,012	\$26,164,531	\$23,637,000	\$25,637,093
% of General Fund	31%	28%	30%	31%	29%
Per Capita	366.93	443.92	431.96	368.60	398.44
Fremont	\$48,580,000	\$49,536,000	\$58,903,000	\$54,876,000	\$63,933,000
% of General Fund	26%	27%	30%	28%	30%
Per Capita	213.04	216.01	254.26	233.08	274.94
Hayward	\$33,059,000	\$34,839,287	\$33,388,000	\$34,817,000	\$35,372,000
% of General Fund	21%	22%	21%	22%	21%
Per Capita	207.78	218.97	219.08	225.34	220.39
Mountain View	\$21,401,425	\$21,828,516	\$20,713,381	\$20,026,480	\$21,432,550
% of General Fund	18%	17%	15%	15%	14%
Per Capita	274.68	278.44	257.36	247.85	261.40
Palo Alto	\$30,018,000	\$29,922,926	\$31,091,000	\$31,246,000	\$34,346,000
% of General Fund	15%	17%	16%	16%	16%
Per Capita	454.62	446.82	467.69	468.81	512.00
San Jose	\$201,797,183	\$207,695,033	\$226,336,942	\$263,500,000	\$258,300,000
% of General Fund	19%	19%	17%	19%	22%
Per Capita	195.91	200.41	216.37	250.64	245.69
San Leandro	\$42,336,643	\$30,342,598	\$42,990,223	\$42,899,800	\$45,061,307
% of General Fund	40%	29%	39%	39%	39%
Per Capita	482.74	343.52	486.71	478.24	506.31
Santa Clara	\$50,254,965	\$62,528,632	\$55,881,563	\$56,530,000	\$58,200,400
% of General Fund	26%	29%	23%	23%	23%
Per Capita	415.42	505.27	446.46	438.94	452.16
Sunnyvale	\$32,909,169	\$29,408,259	\$31,314,096	\$31,621,020	\$29,002,150
% of General Fund	18%	17%	15%	15%	14%
Per Capita	222.32	198.21	209.00	206.15	186.43

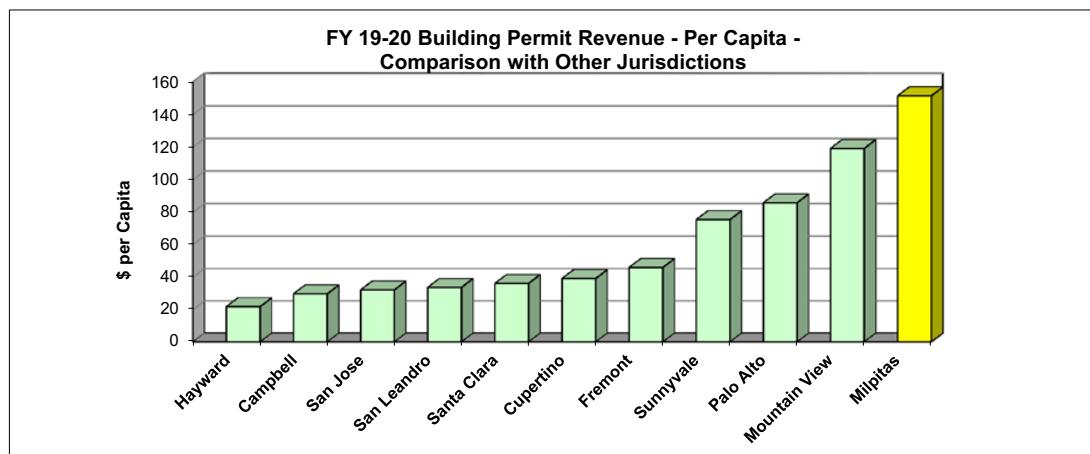
FY 19-20 Sales Tax - Per Capita - Comparison with Other Jurisdictions



Building Permit Revenue, Comparison with Other Jurisdictions

FY 2015-16 through FY 2019-20

City	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budgeted 2018-19	Budgeted 2019-20
Milpitas	\$5,819,943	\$7,545,221	\$9,923,608	\$7,199,714	\$11,552,176
% of General Fund	8%	8%	10%	7%	10%
Per Capita	78.50	99.91	133.51	96.02	151.54
Campbell	\$2,488,271	\$1,965,323	\$1,727,591	\$1,465,000	\$1,300,000
% of General Fund	5%	4%	3%	3%	2%
Per Capita	58.43	46.38	40.40	33.87	29.73
Cupertino	\$3,073,109	\$2,536,924	\$2,757,929	\$2,685,000	\$2,524,000
% of General Fund	5%	3%	3%	3%	3%
Per Capita	52.82	41.82	45.53	41.87	39.23
Fremont *	\$8,696,988	\$13,981,333	\$12,841,569	\$10,658,065	\$10,708,588
% of General Fund	5%	7%	6%	5%	5%
Per Capita	38.14	60.97	55.43	45.27	46.05
Hayward	\$3,602,843	\$4,212,602	\$3,469,000	\$3,622,000	\$3,500,000
% of General Fund	2%	3%	2%	2%	2%
Per Capita	22.64	26.48	22.76	23.44	21.81
Mountain View *	\$6,409,790	\$7,080,287	\$11,304,730	\$7,755,000	\$9,773,000
% of General Fund	5%	5%	8%	5%	6%
Per Capita	82.27	90.31	140.46	95.98	119.19
Palo Alto	\$4,814,233	\$4,404,910	\$5,239,000	\$5,758,000	\$5,758,000
% of General Fund	2%	2%	3%	3%	3%
Per Capita	72.91	65.78	78.81	86.39	85.84
San Jose	\$30,506,052	\$32,113,377	\$33,546,256	\$35,000,000	\$33,800,000
% of General Fund	3%	3%	3%	3%	3%
Per Capita	29.62	30.99	32.07	33.29	32.15
San Leandro	\$1,734,799	\$1,828,458	\$2,137,678	\$1,710,000	\$3,000,000
% of General Fund	2%	2%	2%	2%	3%
Per Capita	19.78	20.70	24.20	19.06	33.71
Santa Clara	\$6,036,116	\$5,876,550	\$4,209,512	\$4,500,000	\$4,657,500
% of General Fund	3%	3%	2%	2%	2%
Per Capita	49.90	47.49	33.63	34.94	36.18
Sunnyvale	\$17,240,132	\$13,306,587	\$14,695,746	\$15,586,532	\$11,746,254
% of General Fund	9%	7%	7%	8%	6%
Per Capita	116.47	89.68	98.08	101.61	75.51

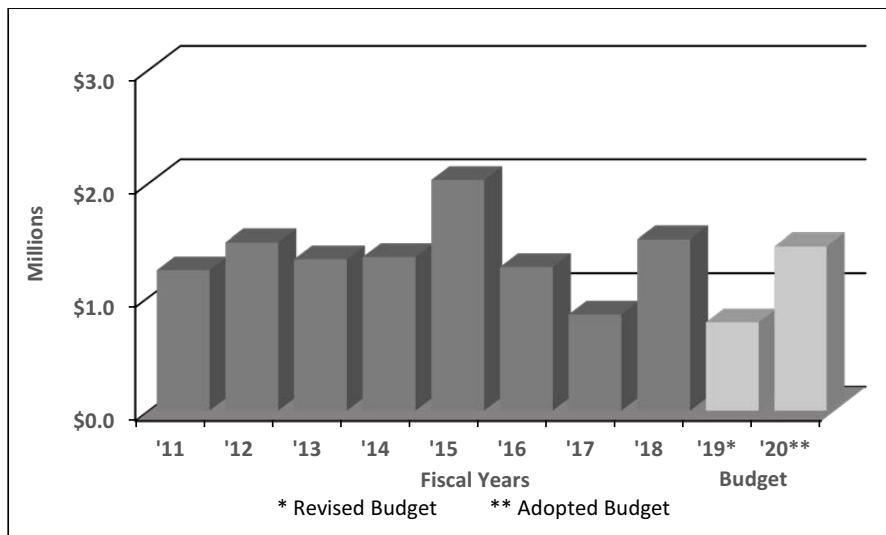


* For the Cities of Fremont and Mountain View Building permits are not part of the General Fund revenues, but for comparison purposes, we included this revenue as part of the General Fund.

History of Intergovernmental Revenue

General Fund

2011 through 2020

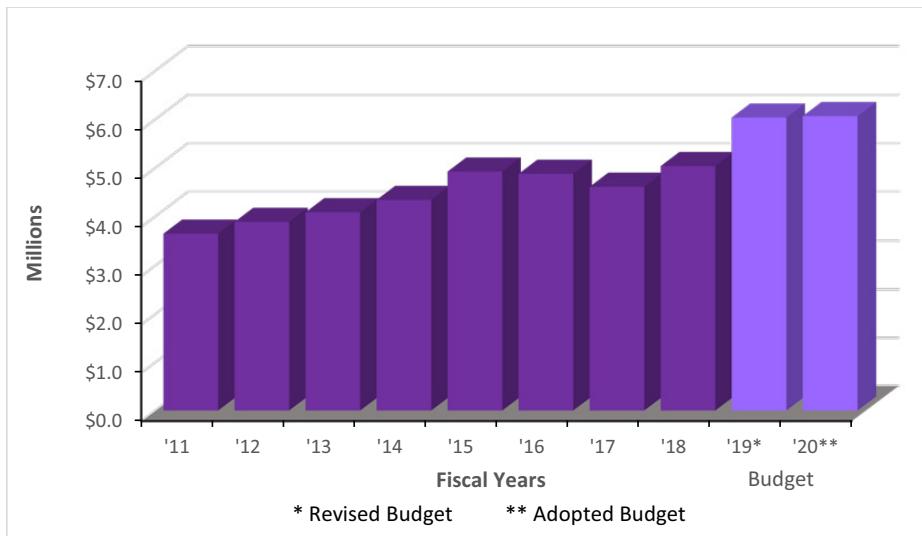


Intergovernmental Revenues include: Motor Vehicle In-Lieu Tax and Miscellaneous Grants

History of "Other" Tax Revenue

General Fund

2011 through 2020



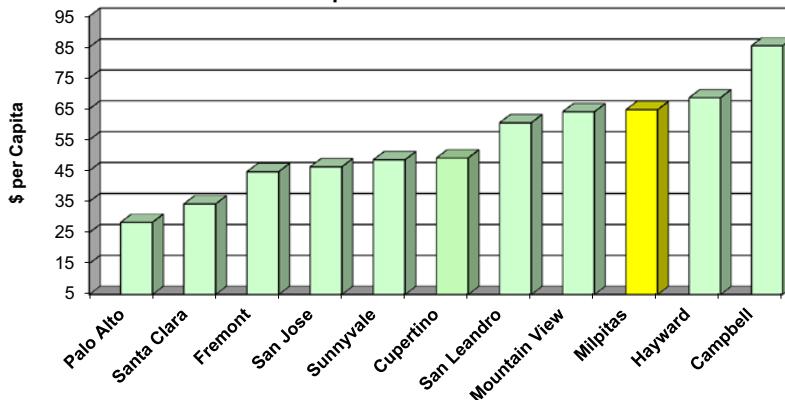
"Other" Tax Revenue include: Real Estate Transfer Tax, Franchise Fees and Business License Tax

Franchise Fees, Comparison with Other Jurisdictions

FY 2015-16 through FY 2019-20

City	Actual 2015-16	Actual 2016-17	Actual 2017-18	Budgeted 2018-19	Budgeted 2019-20
Milpitas	\$3,841,010	\$3,871,202	\$4,677,808	\$4,730,851	\$4,937,000
% of General Fund	5%	4%	5%	5%	4%
Per Capita	51.81	51.26	62.94	63.09	64.76
Campbell	\$3,319,602	\$3,478,915	\$3,586,297	\$3,339,000	\$3,736,800
% of General Fund	7%	7%	7%	6%	7%
Per Capita	77.95	82.10	83.86	77.20	85.46
Cupertino	\$3,251,299	\$3,409,572	\$3,563,820	\$3,042,000	\$3,162,457
% of General Fund	5%	4%	4%	4%	4%
Per Capita	55.88	56.20	58.84	47.44	49.15
Fremont	\$9,606,000	\$9,887,000	\$10,061,000	\$10,505,000	\$10,394,000
% of General Fund	5%	5%	5%	5%	5%
Per Capita	42.13	43.11	43.43	44.62	44.70
Hayward	\$10,139,000	\$9,646,262	\$9,648,000	\$10,921,000	\$11,018,000
% of General Fund	7%	6%	6%	7%	6%
Per Capita	63.73	60.63	63.31	70.68	68.65
Mountain View	\$4,704,290	\$4,741,035	\$5,092,778	\$4,990,480	\$5,256,450
% of General Fund	4%	4%	4%	4%	4%
Per Capita	60.38	60.48	63.28	61.76	64.11
Palo Alto	\$1,895,062	\$1,900,079	\$1,829,000	\$1,900,000	\$1,900,000
% of General Fund	1%	1%	1%	1%	1%
Per Capita	28.70	28.37	27.51	28.51	28.32
San Jose	\$48,948,942	\$49,641,551	\$51,179,782	\$47,474,798	\$48,641,000
% of General Fund	5%	4%	4%	3%	4%
Per Capita	47.52	47.90	48.93	45.16	46.27
San Leandro	\$4,968,614	\$5,102,904	\$5,269,391	\$5,176,009	\$5,388,465
% of General Fund	5%	5%	5%	5%	5%
Per Capita	56.65	57.77	59.66	57.70	60.54
Santa Clara	\$3,822,934	\$4,017,605	\$4,204,380	\$4,287,638	\$4,408,151
% of General Fund	2%	2%	2%	2%	2%
Per Capita	31.60	32.46	33.59	33.29	34.25
Sunnyvale	\$7,056,709	\$7,117,732	\$7,160,176	\$7,403,694	\$7,553,943
% of General Fund	4%	4%	3%	4%	4%
Per Capita	47.67	47.97	47.79	48.27	48.56

FY 19-20 Franchise Fee Revenue - Per Capita - Comparison with Other Jurisdictions



Expenditures by Fund (Summary)

	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
100 General Fund	82,810,436	82,091,311	104,058,797	121,241,528
102 Measure I TOT *	3,914,819	2,417,824	2,402,622	0
103 1452-1474 S. Main	39,125	35,597	44,000	24,000
105 Abandon Veh Abatement	68,111	97,545	22,500	22,500
109 Utility Rate Assistance	0	0	0	256,700
130 Private Jobs Developer Deposit	8,626	0	0	0
150 Redevelopment Administration	103,804	65,024	56,710	32,259
211 H-Hetch Ground Lease	31,834	32,939	35,000	35,000
213 Public Art Fund-Nonrestricted	7,500	1,562	127,500	102,500
214 Community Planning Fee Fund	229,007	200,000	0	758,250
215 Community Benefit Fund	0	0	0	250,000
216 Affordable Hsng Community Benf	0	250,000	0	0
221 Gas Tax Fund	2,950,000	2,000,000	1,775,000	5,195,000
222 Measure B	0	0	0	1,489,415
235 95-1 Lighting/Lscape Dist	290,742	377,522	450,820	427,957
236 98-1 Lighting/Lscape Dist	33,467	34,381	80,065	72,653
237 05 Community Fcty Dist	818,644	832,682	1,231,353	1,157,175
238 08 Community Fcty Dist	735,650	913,474	905,000	1,654,000
250 HCD Fund	417,808	373,820	541,000	715,734
251 HCD Loan	58,753	0	200,000	0
261 Supplemental Law Enforcement	184,454	173,378	0	0
262 State Asset Seizure	22,896	0	30,000	30,000
263 Federal Asset Seizure	0	0	30,000	30,000
267 Justice Assistance Grant	62,322	66,088	0	0
268 Justice Assistance Grant 2009	0	13,189	0	0
269 Grant Fund	11,630	14,244	0	0
280 Solid Waste Services	1,200,161	840,001	672,681	856,093
295 Housing Authority	444,703	12,779,596	799,092	1,549,674
310 Street Fund	36,414	230,773	0	0
311 Street CIP	4,139,255	6,302,162	6,575,000	6,629,415
312 Traffic Impact Fee	35,200	0	0	0
314 Vehicle Registration Fee	450,000	500,000	0	0
320 Park Improvement Fund	1,125,000	4,725,000	0	0
321 Park Improvement CIP	2,465,932	2,785,648	9,635,000	1,850,000
322 Midtown Park Fund	600,000	2,275,000	125,000	0
330 General Government	6,025,518	14,091,393	0	0
331 General Government CIP	3,587,657	2,879,765	5,433,000	8,148,986
340 Storm Drain Development	699,838	1,162,420	0	0
341 Storm Drain CIP	455,180	144,891	143,000	755,000
350 Transit Area Impact Fee Fund	17,983,290	20,194,982	3,805,000	75,000
351 Transit Area Impact Fee CIP Fund	7,822,156	8,436,084	6,290,000	8,900,000
400 Water M & O Fund	23,035,313	23,957,693	28,841,737	28,377,912
401 Water CIP	1,613,819	3,777,209	13,578,800	7,924,260
402 Water Line Extension Fund	1,590,000	4,645,000	0	0
405 Water Infrastructure Replmnt	1,500,000	4,100,000	0	225,225
450 Sewer M & O Fund	9,801,710	12,471,217	13,863,874	14,267,565

* In 2018-19, Fund 102 was merged with the General Fund

Expenditures by Fund (Summary)

	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
451 Sewer CIP	6,723,086	10,487,563	2,693,323	28,540,050
452 Treatment Plant Construction	1,000,000	3,250,000	0	0
455 Sewer Infrastructure Replmnt	1,000,000	200,000	0	0
500 Equipment Mgmt Fund	2,314,056	4,713,647	2,873,163	3,094,603
505 Information Tec Replmt	227,405	180,962	271,250	300,000
506 Permit Automation Fund	557,738	934,510	945,371	2,871,058
TOTAL	189,233,056	236,056,093	208,535,658	247,859,512

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
GENERAL FUND							
City Council	386,324	200,995	0	0	0	0	587,319
City Manager	1,971,984	360,200	0	0	0	0	2,332,184
City Clerk	586,844	40,000	0	0	0	0	626,844
Economic Development	740,591	199,215	0	0	0	0	939,806
City Attorney	184,764	1,005,600	0	0	0	0	1,190,364
Building Inspection Services	3,158,175	71,561	0	0	0	0	3,229,736
Plan Checking	1,026,072	12,600	0	0	0	0	1,038,672
Building Administration	648,440	11,000	0	0	0	0	659,440
Permit Center	528,170	12,000	0	0	0	0	540,170
Housing and Neighborhood Services	692,063	533,310	0	0	0	0	1,225,373
Information Services	2,312,051	1,237,552	0	0	0	0	3,549,603
Human Resources	1,368,518	677,151	0	0	0	0	2,045,669
Recreation & Community Services Administration	1,721,203	177,280	0	0	0	0	1,898,483
Senior Citizen Services	721,344	250,985	0	0	0	0	972,329
Youth Programs	906,125	166,630	0	0	0	0	1,072,755
Special Events	251,318	271,766	0	0	0	0	523,084
Marketing	190,686	79,000	0	0	0	0	269,686
Performing Arts	0	84,900	0	0	0	0	84,900
General Classes	105,702	408,099	0	0	0	0	513,801
Aquatics	431,259	11,300	0	0	0	0	442,559
Sports & Fitness	626,508	57,633	1,489	0	0	0	685,630
Finance Administration	1,918,008	484,985	0	0	0	0	2,402,993
Finance Operations	1,835,745	102,080	0	0	0	0	1,937,825
Public Works Administration	734,292	66,801	0	0	0	0	801,093
Street Maintenance	1,380,369	430,699	0	0	0	0	1,811,068
Utility Maintenance	538,638	71,500	0	0	0	0	610,138
Park Maintenance	0	1,388,260	0	0	0	0	1,388,260
Trees & Landscape Mnt	683,285	504,186	0	0	0	0	1,187,471
Facilities Maintenance	1,549,920	1,606,017	0	0	0	0	3,155,937
Compliance	57,378	247,282	0	0	0	0	304,660
Solid Waste	324	0	0	0	0	0	324
Engineering Administration	356,241	33,886	0	0	0	0	390,127
Design & Construction	1,258,536	14,319	0	0	0	0	1,272,855
Land Development	1,569,815	281,811	0	0	0	0	1,851,626
Traffic Engineering	364,560	119,406	0	0	0	0	483,966

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
Planning	1,843,689	51,673	0	0	0	0	1,895,362
Long Range Planning	24,953	0	0	0	0	0	24,953
Police Administration	1,544,431	16,427	0	0	0	0	1,560,858
Records	1,675,393	231,604	0	0	0	0	1,906,997
Personnel & Training	353,414	193,832	0	0	0	0	547,246
Communications	3,841,294	329,224	0	0	0	0	4,170,518
Patrol Services	19,933,837	664,380	56,789	0	0	0	20,655,006
Traffic	1,883,047	67,405	0	0	0	0	1,950,452
Crossing Guards	447,606	2,000	0	0	0	0	449,606
Community Relations	638,257	28,244	0	0	0	0	666,501
Investigations	4,008,204	423,224	14,824	0	0	0	4,446,252
Fire Administration	1,826,468	103,146	0	0	0	0	1,929,614
A/B/C Battalions Operations	17,435,896	2,901,670	110,000	0	0	0	20,447,566
Disaster Prep & Public Ed	220,946	55,000	0	0	0	0	275,946
Prevention Div Admin	1,198,597	83,049	0	0	0	0	1,281,646
Fire Inspection, Plan Check & Investigation	2,640,394	65,800	0	0	0	0	2,706,194
Non-Departmental	1,601,564	5,798,497	0	0	0	0	7,400,061
Debt Service	0	0	0	100,000	0	0	100,000
Transfers Out	0	0	0	0	0	6,800,000	6,800,000
sub-total (100)	91,923,242	22,235,184	183,102	100,000	0	6,800,000	121,241,528
1452-1474 S. MAIN							
1452 S. Main Street Properties	0	24,000	0	0	0	0	24,000
Transfers Out	0	0	0	0	0	0	0
sub-total (103)	0	24,000	0	0	0	0	24,000
ABANDON VEH ABATEMENT							
Traffic	22,500	0	0	0	0	0	22,500
Transfers Out	0	0	0	0	0	0	0
sub-total (105)	22,500	0	0	0	0	0	22,500
UTILITY RATE ASSISTANCE							
Non-Departmental	0	256,700	0	0	0	0	256,700
Transfers Out	0	0	0	0	0	0	0
sub-total (109)	0	256,700	0	0	0	0	256,700
REDEVELOPMENT ADMINISTRATION							
Finance Administration	9,514	0	0	0	0	0	9,514
Finance Operations	16,745	0	0	0	0	0	16,745

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
Non-Departmental	0	6,000	0	0	0	0	6,000
Transfers Out	0	0	0	0	0	0	0
sub-total (150)	26,259	6,000	0	0	0	0	32,259
H-HETCH GROUND LEASE							
Non-Departmental	0	35,000	0	0	0	0	35,000
Transfers Out	0	0	0	0	0	0	0
sub-total (211)	0	35,000	0	0	0	0	35,000
PUBLIC ART FUND-NONRESTRICTED							
Non-Departmental	0	102,500	0	0	0	0	102,500
Transfers Out	0	0	0	0	0	0	0
sub-total (213)	0	102,500	0	0	0	0	102,500
COMMUNITY PLANNING FEE FUND							
Planning	116,859	0	0	0	0	0	116,859
Long Range Planning	141,391	0	0	0	0	0	141,391
Transfers Out	0	0	0	0	0	500,000	500,000
sub-total (214)	258,250	0	0	0	0	500,000	758,250
COMMUNITY BENEFIT FUND							
Economic Development	0	50,000	0	0	0	0	50,000
Non-Departmental	0	200,000	0	0	0	0	200,000
Transfers Out	0	0	0	0	0	0	0
sub-total (215)	0	250,000	0	0	0	0	250,000
GAS TAX FUND							
Transfers Out	0	0	0	0	0	5,195,000	5,195,000
sub-total (221)	0	0	0	0	0	5,195,000	5,195,000
MEASURE B							
Transfers Out	0	0	0	0	0	1,489,415	1,489,415
sub-total (222)	0	0	0	0	0	1,489,415	1,489,415
95-1 LIGHTING/LSCAPE DIST							
Public Works Administration	5,816	0	0	0	0	0	5,816
Street Maintenance	45,928	0	0	0	0	0	45,928
Utility Maintenance	17,292	0	0	0	0	0	17,292
Trees & Landscape Mnt	149,691	42,680	0	0	0	0	192,371
Land Development	700	80,850	0	0	0	0	81,550
Transfers Out	0	0	0	0	0	85,000	85,000
sub-total (235)	219,427	123,530	0	0	0	85,000	427,957

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
98-1 LIGHTING/LSCAPE DIST							
Street Maintenance	8,794	0	0	0	0	0	8,794
Utility Maintenance	1,792	0	0	0	0	0	1,792
Trees & Landscape Mnt	17,540	16,877	0	0	0	0	34,417
Land Development	700	3,950	0	0	0	0	4,650
Transfers Out	0	0	0	0	0	23,000	23,000
sub-total (236)	28,826	20,827	0	0	0	23,000	72,653
05 COMMUNITY FCLTY DIST							
Public Works Administration	90,979	0	0	0	0	0	90,979
Street Maintenance	300,347	0	0	0	0	0	300,347
Utility Maintenance	45,728	0	0	0	0	0	45,728
Park Maintenance	0	209,000	0	0	0	0	209,000
Trees & Landscape Mnt	424,547	80,074	0	0	0	0	504,621
Non-Departmental	0	6,500	0	0	0	0	6,500
Transfers Out	0	0	0	0	0	0	0
sub-total (237)	861,601	295,574	0	0	0	0	1,157,175
08 COMMUNITY FCLTY DIST							
Park Maintenance	0	50,000	0	0	0	0	50,000
Non-Departmental	0	4,000	0	0	0	0	4,000
Transfers Out	0	0	0	0	0	1,600,000	1,600,000
sub-total (238)	0	54,000	0	0	0	1,600,000	1,654,000
HCD FUND							
Housing and Neighborhood Services	85,000	608,734	0	0	0	0	693,734
Finance Operations	15,000	0	0	0	0	0	15,000
Non-Departmental	0	7,000	0	0	0	0	7,000
Transfers Out	0	0	0	0	0	0	0
sub-total (250)	100,000	615,734	0	0	0	0	715,734
STATE ASSET SEIZURE							
Investigations	0	0	30,000	0	0	0	30,000
Transfers Out	0	0	0	0	0	0	0
sub-total (262)	0	0	30,000	0	0	0	30,000
FEDERAL ASSET SEIZURE							
Investigations	0	0	30,000	0	0	0	30,000
Transfers Out	0	0	0	0	0	0	0
sub-total (263)	0	0	30,000	0	0	0	30,000

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
SOLID WASTE SERVICES							
Solid Waste	548,637	208,000	0	0	0	0	756,637
Land Development	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	99,456	99,456
sub-total (280)	548,637	208,000	0	0	0	99,456	856,093
HOUSING AUTHORITY							
City Manager	104,114	0	0	0	0	0	104,114
Housing and Neighborhood Services	515,476	740,800	0	0	0	0	1,256,276
Finance Operations	88,686	0	0	0	0	0	88,686
Non-Departmental	0	56,798	0	0	0	0	56,798
1432 S. Main Street Properties	0	43,800	0	0	0	0	43,800
Transfers Out	0	0	0	0	0	0	0
sub-total (295)	708,276	841,398	0	0	0	0	1,549,674
STREET CIP							
Capital Improvement Projects	0	0	0	0	6,529,415	100,000	6,629,415
sub-total (311)	0	0	0	0	6,529,415	100,000	6,629,415
PARK IMPROVEMENT CIP							
Capital Improvement Projects	0	0	0	0	1,850,000	0	1,850,000
sub-total (321)	0	0	0	0	1,850,000	0	1,850,000
GENERAL GOVERNMENT CIP							
Design & Construction	161,986	0	0	0	0	0	161,986
Capital Improvement Projects	0	0	0	0	7,987,000	0	7,987,000
Transfers Out	0	0	0	0	0	0	0
sub-total (331)	161,986	0	0	0	7,987,000	0	8,148,986
STORM DRAIN CIP							
Capital Improvement Projects	0	0	0	0	755,000	0	755,000
sub-total (341)	0	0	0	0	755,000	0	755,000
TRANSIT AREA IMPACT FEE FUND							
Debt Service	0	0	0	75,000	0	0	75,000
Transfers Out	0	0	0	0	0	0	0
sub-total (350)	0	0	0	75,000	0	0	75,000

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
TRANSIT AREA IMPACT FEE CIP FUND							
Capital Improvement Projects	0	0	0	0	8,900,000	0	8,900,000
sub-total (351)	0	0	0	0	8,900,000	0	8,900,000
RDA PROJECT FUND							
WATER M & O FUND							
City Manager	19,804	0	0	0	0	0	19,804
Finance Operations	806,459	183,723	30,000	0	0	0	1,020,182
Public Works Administration	662,061	229,485	0	0	0	0	891,546
Utility Engineering	531,776	267,900	0	0	0	0	799,676
Utility Maintenance	1,658,510	1,048,206	80,000	0	0	0	2,786,716
Compliance	172,294	0	0	0	0	0	172,294
Non-Departmental	177,050	19,785,583	0	0	0	0	19,962,633
Transfers Out	0	0	0	0	0	2,725,061	2,725,061
sub-total (400)	4,027,954	21,514,897	110,000	0	0	2,725,061	28,377,912
WATER CIP							
Capital Improvement Projects	0	0	0	0	7,924,260	0	7,924,260
sub-total (401)	0	0	0	0	7,924,260	0	7,924,260
WATER INFRASTRUCTURE REPLMNT							
Debt Service	0	0	0	225,225	0	0	225,225
Transfers Out	0	0	0	0	0	0	0
sub-total (405)	0	0	0	225,225	0	0	225,225
SEWER M & O FUND							
City Manager	19,804	0	0	0	0	0	19,804
Finance Operations	448,263	158,223	0	0	0	0	606,486
Public Works Administration	541,144	92,604	0	0	0	0	633,748
Utility Engineering	431,329	188,200	0	0	0	0	619,529
Utility Maintenance	1,367,487	472,485	0	0	0	0	1,839,972
Compliance	114,858	0	0	0	0	0	114,858
Non-Departmental	147,050	7,684,595	0	0	0	0	7,831,645
Debt Service	0	0	0	1,033,038	0	0	1,033,038
Transfers Out	0	0	0	0	0	1,568,485	1,568,485
sub-total (450)	3,069,935	8,596,107	0	1,033,038	0	1,568,485	14,267,565
SEWER CIP							
Capital Improvement Projects	0	0	0	0	28,540,050	0	28,540,050

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
sub-total (451)	0	0	0	0	28,540,050	0	28,540,050
EQUIPMENT MGMT FUND							
Public Works Administration	182,118	10,000	0	0	0	0	192,118
Fleet Maintenance	898,324	957,420	0	0	0	0	1,855,744
Non-Departmental	0	73,581	0	0	0	0	73,581
Equipment to be Depreciated	0	0	973,160	0	0	0	973,160
Transfers Out	0	0	0	0	0	0	0
sub-total (500)	1,080,442	1,041,001	973,160	0	0	0	3,094,603
INFORMATION TEC REPLMT							
Information Services	0	0	300,000	0	0	0	300,000
Transfers Out	0	0	0	0	0	0	0
sub-total (505)	0	0	300,000	0	0	0	300,000
PERMIT AUTOMATION FUND							
Plan Checking	392,388	0	0	0	0	0	392,388
Permit Center	209,575	90,000	0	0	0	0	299,575
Information Services	195,341	344,000	0	0	0	0	539,341
Land Development	139,754	0	0	0	0	0	139,754
Transfers Out	0	0	0	0	0	1,500,000	1,500,000
sub-total (506)	937,058	434,000	0	0	0	1,500,000	2,871,058
TOTAL	103,974,393	56,654,452	1,626,262	1,433,263	62,485,725	21,685,417	247,859,512

Expenditures by Function

Function	General Fund	Housing Authority	Water Fund	Sewer Fund	Other Funds	Total
City Council	587,319	-	-	-	-	587,319
City Manager	2,332,184	104,114	19,804	19,804	-	2,475,906
City Clerk	626,844	-	-	-	-	626,844
Economic Development	939,806	-	-	-	50,000	989,806
City Attorney	1,190,364	-	-	-	-	1,190,364
Building Inspection Services	3,229,736	-	-	-	-	3,229,736
Plan Checking	1,038,672	-	-	-	392,388	1,431,060
Building Administration	659,440	-	-	-	-	659,440
Permit Center	540,170	-	-	-	299,575	839,745
Housing & Neighborhood Services	1,225,373	1,256,276	-	-	693,734	3,175,383
Information Services	3,549,603	-	-	-	839,341	4,388,944
Human Resources	2,045,669	-	-	-	-	2,045,669
Recreation Administration	1,898,483	-	-	-	-	1,898,483
Senior Citizen Services	972,329	-	-	-	-	972,329
Youth Programs	1,072,755	-	-	-	-	1,072,755
Special Events	523,084	-	-	-	-	523,084
Marketing	269,686	-	-	-	-	269,686
Performing Arts	84,900	-	-	-	-	84,900
General Classes	513,801	-	-	-	-	513,801
Aquatics	442,559	-	-	-	-	442,559
Sports & Fitness	685,630	-	-	-	-	685,630
Finance Administration	2,402,993	-	-	-	9,514	2,412,507
Finance Operations	1,937,825	88,686	1,020,182	606,486	31,745	3,684,924
Public Works Administration	801,093	-	891,546	633,748	288,913	2,615,300
Street Maintenance	1,811,068	-	-	-	355,069	2,166,137
Utility Engineering	-	-	799,676	619,529	-	1,419,205
Utility Maintenance	610,138	-	2,786,716	1,839,972	64,812	5,301,638
Park Maintenance	1,388,260	-	-	-	259,000	1,647,260
Trees & Landscape Mnt	1,187,471	-	-	-	731,409	1,918,880
Fleet Maintenance	-	-	-	-	1,855,744	1,855,744
Facilities Maintenance	3,155,937	-	-	-	-	3,155,937
Compliance	304,660	-	172,294	114,858	-	591,812
Solid Waste Services	324	-	-	-	756,637	756,961
Engineering Administration	390,127	-	-	-	-	390,127
Design & Construction	1,272,855	-	-	-	161,986	1,434,841
Land Development	1,851,626	-	-	-	225,954	2,077,580
Traffic Engineering	483,966	-	-	-	-	483,966
Planning	1,895,362	-	-	-	116,859	2,012,221
Long Range Planning	24,953	-	-	-	141,391	166,344

Expenditures by Function

Function	General Fund	Housing Authority	Water Fund	Sewer Fund	Other Funds	Total
Police Administration	1,560,858	-	-	-	-	1,560,858
Records	1,906,997	-	-	-	-	1,906,997
Personnel & Training	547,246	-	-	-	-	547,246
Communications	4,170,518	-	-	-	-	4,170,518
Community Relations	666,501	-	-	-	-	666,501
Patrol Services	20,655,006	-	-	-	-	20,655,006
Traffic	1,950,452	-	-	-	22,500	1,972,952
Crossing Guards	449,606	-	-	-	-	449,606
Investigations	4,446,252	-	-	-	60,000	4,506,252
Fire Administration	1,929,614	-	-	-	-	1,929,614
A/B/C Battalions Operations	20,447,566	-	-	-	-	20,447,566
Prevention Div Admin	1,281,646	-	-	-	-	1,281,646
Fire Insp, Plan Check & Invg	2,706,194	-	-	-	-	2,706,194
Disaster Prep & Public Ed	275,946	-	-	-	-	275,946
Non-Departmental	7,656,761	56,798	19,962,633	7,831,645	434,581	35,942,418
Debt Service	100,000	-	225,225	1,033,038	75,000	1,433,263
Equipment to be Depreciated	-	-	-	-	973,160	973,160
1432 S. Main Street Properties	-	43,800	-	-	-	43,800
1452 S. Main Street Properties	-	-	-	-	24,000	24,000
Capital Improvement Projects	-	-	7,924,260	28,540,050	26,021,415	62,485,725
TOTAL	<u>114,698,228</u>	<u>1,549,674</u>	<u>33,802,336</u>	<u>41,239,130</u>	<u>34,884,727</u>	<u>226,174,095</u>

Internal Cost Allocation by Function Schedule

Indirect Costs	DIRECT COST				
	Police	Fire	Building & Housing	Planning	Public Works
Legislation & Policy	23,807	35,144	3,401	86,159	11,337
General Administration					
City Manager	543,250	516,493	329,666	186,609	146,563
City Clerk	65,843	56,010	9,886	39,249	14,049
City Attorney	366,562	210,428	40,116	171,281	83,088
Human Resources	684,952	405,015	113,166	83,385	214,301
Financial Services	1,203,125	863,651	185,053	109,936	233,732
Information Technology	1,224,080	723,804	202,239	149,018	382,977
General Liability, Uncollectable and Audit Fees	336,448	250,612	50,929	28,560	56,837
Other Non-Department Salaries & Benefits and Contractual Services	211,674	125,164	34,972	25,769	66,226
Contingent Reserve	362,212	269,803	54,829	30,747	61,189
Facilities Maintenance	682,690	482,872	45,218	55,292	268,264
Utilities	693,864	490,775	45,958	56,197	272,654
Building Occupancy	320,073	226,390	21,200	25,923	125,773
TOTAL INDIRECT COSTS	6,718,581	4,656,161	1,136,634	1,048,126	1,936,990
TOTAL DIRECT COSTS	36,122,752	26,906,938	5,468,018	3,066,374	6,102,264
TOTAL COSTS	42,841,333	31,563,099	6,604,652	4,114,500	8,039,254
INDIRECT COST RATE	18.6%	17.3%	20.8%	34.2%	31.7%

Internal Cost Allocation by Function Schedule

PROGRAMS					
Engineering	Recreation	Water	Sewer	Solid Waste	TOTAL
261,879	52,149	54,551	23,942	439	552,809
280,938	148,825	664,383	306,072	24,436	3,147,234
110,967	30,939	62,169	29,377	1,355	419,844
68,334	49,170	68,021	57,802	5,255	1,120,057
101,254	93,809	115,787	93,630	5,956	1,911,255
140,469	206,379	745,978	377,457	22,606	4,088,387
180,951	167,646	206,923	167,326	10,644	3,415,610
37,048	60,199	65,366	43,039	7,047	936,086
31,291	28,990	35,782	28,935	1,841	590,645
39,885	64,808	70,371	46,335	7,587	1,007,766
84,003	1,112,503	261,383	158,767	4,945	3,155,937
85,378	1,130,711	265,662	161,366	5,026	3,207,591
39,384	521,587	122,547	74,436	2,319	1,479,632
1,461,778	3,667,715	2,738,925	1,568,485	99,456	25,032,852
3,977,624	6,463,227	25,878,020	12,699,136	756,637	127,440,990
5,439,402	10,130,942	28,616,945	14,267,621	856,093	152,473,842
36.8%	56.7%	10.6%	12.4%	13.1%	19.6%

Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution	
From the General Fund	To Other Miscellaneous Funds for:	
	Xfer to General Govt CIP one-time	4,000,000
	Xfer to Fund 216	2,000,000
	sub-total	6,000,000
From the General Fund	To the Equipment Fund for:	
	Capital Reserve IT Equipment Replacement	300,000
	sub-total	300,000
* From the General Fund	To the Subsidiary CIP Fund for:	
	Rate Assistance Program	100,000
	sub-total	100,000
From the General Fund	Other Appn Transfers Out for:	
	Transfer Out To Storm Drain	500,000
	sub-total	500,000
From the Community Planning Fee Fund	To the General Government Fund for:	
	City General Plan Update (3416)	500,000
	sub-total	500,000
From the Gas Tax Fund	To the General Government Fund for:	
	Annual Sidewalk, Curb & Gutter Repair (3426)	650,000
	Annual Street Light, and Signage (3440)	150,000
	sub-total	800,000
From the Gas Tax Fund	To the Street Improvement Fund for:	
	ADA Curb Ramp Transition Program 2016 (4283)	300,000
	Annual Bridge Rehabilitation (4290)	175,000
	Citywide Traffic Safety Assessment (4293)	400,000
	SR237 HOV Lane Imrpovements (4294)	200,000
	Street Pavement Restriping (4295)	200,000
	Street Resurfacing Project 2019-20 (4296)	2,720,000
	City Wide Traffic Modeling (4297)	400,000
	sub-total	4,395,000
From the Measure B	To the Street Improvement Fund for:	
	Street Resurfacing Project 2018-19 (4291)	109,415
	Street Resurfacing Project 2019-20 (4296)	1,380,000
	sub-total	1,489,415

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
From the 95-1 Lighting/Lscape Dist	To the General Government Fund for: McCarthy BLvd Landscape & lighting (3402) sub-total
	85,000 85,000
From the 98-1 Lighting/Lscape Dist	To the General Government Fund for: Sinclair LLMD Improvements (3411) sub-total
	23,000 23,000
From the 08 Community Fcty Dist	To the General Fund for: Operating Cost Reimbursement sub-total
	1,600,000 1,600,000
From the Solid Waste Services	To the General Fund for: Operating Cost Reimbursement sub-total
	99,456 99,456
From the Street CIP	To the Sewer Fund for: Defunding Street Resurfacing Project 2018-19 (4291) sub-total
	100,000 100,000
* From the Vehicle Registration Fee	To the Subsidiary CIP Fund for: Street Resurfacing Project 2019-20 (4296) sub-total
	500,000 500,000
* From the Park Improvement CIP	To the Subsidiary CIP Fund for: Defunding Sandalwood park renovation (5110) sub-total
	1,100,000 1,100,000
* From the Midtown Park Fund	To the General Government Fund for: Citywide Park Playground Rehabilitation (3424) sub-total
	75,000 75,000
* From the Midtown Park Fund	To the Subsidiary CIP Fund for: Carlo Park (5112) Minor Sports Courts Rehabilitation (5113) Parks & Recreation Master Plan Update (5115) sub-total
	875,000 225,000 300,000 1,400,000
* From the General Government	To the Park Improvement Fund for: Sandalwood Park Construction (5110) sub-total
	1,250,000 1,250,000

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
* From the General Government	To the Storm Drain Fund for:
	City Parking Lot Rehab Program (3716) 250,000
	sub-total 250,000
* From the General Government	To the Subsidiary CIP Fund for:
	Fire State Improvements (3403) 725,000
	City Building Improvement (3406) 1,050,000
	Replacement Fire Station Alert/Alert System (3421) 30,000
	City Building Roofing Repairs (3422) 200,000
	Shuttle Study (3428) 20,000
	City Building ADA Compliance Review (3436) 50,000
	Annual Tree Replacement Program (3438) 300,000
	Fire Station #2 Replacement (3447) 4,300,000
	Street Landscape Irrigation Repair (3449) 150,000
	ALPRs and Security Cameras (3459) 500,000
	Climate Action Plan Update (3453) 200,000
	Enhanced Crosswalk Striping and Beacons (3454) 500,000
	Pilot Street Sweeping Program (3455) 500,000
	Community Center Building Assessment (3456) 150,000
	Radar Speed Feedback Signage (3458) 200,000
	sub-total 8,875,000
* From the General Government CIP	To the Subsidiary CIP Fund for:
	Defunding City Std. Details Guidelines, & Specs (3418) 100,000
	sub-total 100,000
* From the General Government CIP	To the Subsidiary CIP Fund for:
	Defunding Annual Sidewalk, Curb & Gutter Repair (3426) 300,000
	sub-total 300,000
* From the General Government CIP	To the Subsidiary CIP Fund for:
	Defunding Technology Projects (3427) 650,000
	sub-total 650,000
* From the General Government CIP	To the Subsidiary CIP Fund for:
	Defunding Midtown Street Light Project (3430) 2,350,000
	sub-total 2,350,000

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
* From the Storm Drain Development	To the Subsidiary CIP Fund for:
	Storm Drain System Rehabilitation (3700) 45,000
	Dempsey Rd Storm Drain Replacement (3709) 860,000
	Storm Drain System Rehab 17-19(3715) 400,000
	Storm Supervisory Control & Data Acquisition (3718) 200,000
	sub-total 1,505,000
* From the Storm Drain CIP	To the General Government Fund for:
	Defunding Dempsey Rd Storm Drain Replacement (3709) 600,000
	sub-total 600,000
* From the Storm Drain CIP	To the General Government Fund for:
	Defunding Storm Drain System Rehab 17-19 (3715) 400,000
	sub-total 400,000
* From the Transit Area Impact Fee Fund	To the Park Improvement Fund for:
	Parks & Recreation Master Plan Update (5115) 300,000
	sub-total 300,000
* From the Transit Area Impact Fee Fund	To the Street Improvement Fund for:
	TASP Underground Utility District (4281) 245,000
	sub-total 245,000
* From the Transit Area Impact Fee Fund	To the Subsidiary CIP Fund for:
	Lower Penitencia Creek Pedestrian Bridge (2005) 160,000
	Transit Area Specific Plan Update (2006) 300,000
	Transit Area Police Substation(2011) 310,000
	(Rmb) TASP Linear Trails (2012) 3,270,000
	(Rmb) Trade Zone/Montague Park-North (2013) 3,100,000
	S. Milpitas Blvd. Veh. Bridge at Penitencia (2016) 1,025,000
	Montague Ped. Overcrossing at Penitencia (2018) 1,010,000
	SCVWD Zone 1 Pressure Red. Valve (2020) 100,000
	Costa Street Plan Line Study (2021) 125,000
	Feasibility of POCs at VTA Light Rail Platforms (2022) 200,000
	Land/Right -of-Way Value Determination (2010) 20,000
	(Rmb) S. Milpitas Imprv-Gibraltar to UPRR (2015) 850,000

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
TASP On-Street Parking Program (2017)	330,000
(Rmb) TASP Recycled Water Distribution (2019)	800,000
sub-total	11,600,000
* From the Transit Area Impact Fee CIP Fund	
To the Subsidiary CIP Fund for:	
Defunding Montague Expwy Ped Overcrossing at Piper (2008)	2,700,000
sub-total	2,700,000
From the Water M & O Fund	
To the General Fund for:	
Operating Cost Reimbursement	2,725,061
sub-total	2,725,061
* From the Water CIP	
To the Subsidiary CIP Fund for:	
Defunding Recycled Water Pipeline Segment 1 (7129)	3,750,000
sub-total	3,750,000
* From the Water Line Extension Fund	
To the Subsidiary CIP Fund for:	
Water Master Plan 2019 (7136)	200,000
sub-total	200,000
* From the Water Bonds	
To the Subsidiary CIP Fund for:	
Well Upgrade Project (7076)	3,500,000
Automated Water Meter Replacement (7121)	2,900,000
Water Supervisory Control & Data Acquisition (7127)	1,000,000
sub-total	7,400,000
* From the Water Infrastructure Replmnt	
To the Subsidiary CIP Fund for:	
Hydrant Replacement Program (7110)	74,260
Dempsey Rd Water Line Replacement (7118)	3,250,000
Minor Water Projects (7133)	100,000
Water Leak Detection & Condition Asses (7135)	150,000
Abel Street Pipeline Extension(7117)	500,000
sub-total	4,074,260
From the Sewer M & O Fund	
To the General Fund for:	
Operating Cost Reimbursement	1,568,485
sub-total	1,568,485

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
* From the Sewer M & O Fund	To the Subsidiary CIP Fund for:
	Sanitary Sewer Condition Assement (6119) 50,000
	Minor Sewer Projects (6126) 50,000
	Sanitary Sewer Cathodic Protection Impro (6131) 900,000
	Sewer master Plan 2019 (6132) 300,000
	sub-total
	1,300,000
* From the Treatment Plant Construction	To the Subsidiary CIP Fund for:
	Main Lift Station Odor Emissions Control (6130) 1,200,000
	sub-total
	1,200,000
* From the Sewer Bonds	To the Subsidiary CIP Fund for:
	SJ/Santa Clara regional Waste Water (6118) 25,190,050
	sub-total
	25,190,050
* From the Sewer Infrastrture Replmnt	To the Subsidiary CIP Fund for:
	Sewer Pump Station Rehab. Program (6124) 100,000
	Main Lift Station Odor Emissioons Control (6130) 750,000
	sub-total
	850,000
From the Permit Automation Fund	To the General Government Fund for:
	Technology Projects (3427) 1,050,000
	City Std. Details Guidelines, & Specs (3418) 300,000
	Permitting Technology Improvement (3434) 150,000
	sub-total
	1,500,000
	TOTAL TRANSFERS:
	99,949,727

Note: * Interfund Transfers, within the same fund group, are not included in the Budget Summary.

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Mission Statement**Function**

The City Council serves as the informed, legislative governing body of the City on all issues, provides guidance in assessing the needs of the community and policy direction for the development of programs and provision of services to the citizens of Milpitas.

City Council

Council Priority Areas

- Public Safety
- Environment
- Transportation and Transit
- Economic Development and Job Growth
- Neighborhoods and Housing
- Community Wellness and Open Space
- Governance and Administration



FUNCTION: City Council

MAYOR: Rich Tran

Description: The City has a Council/Manager form of government. The Council sets policy and approves the budget, contracts, and programs.

Services

- Serves as governing body of the City.
- Provides legislative direction to the City.
- Promulgates policies for provision of services and direction for the City.
- Enacts ordinances and resolutions necessary for governing the affairs of the City.
- Adopts the Annual Operating Budget and Five-Year Capital Improvement Program.
- Serves as City Representatives at public events and functions.

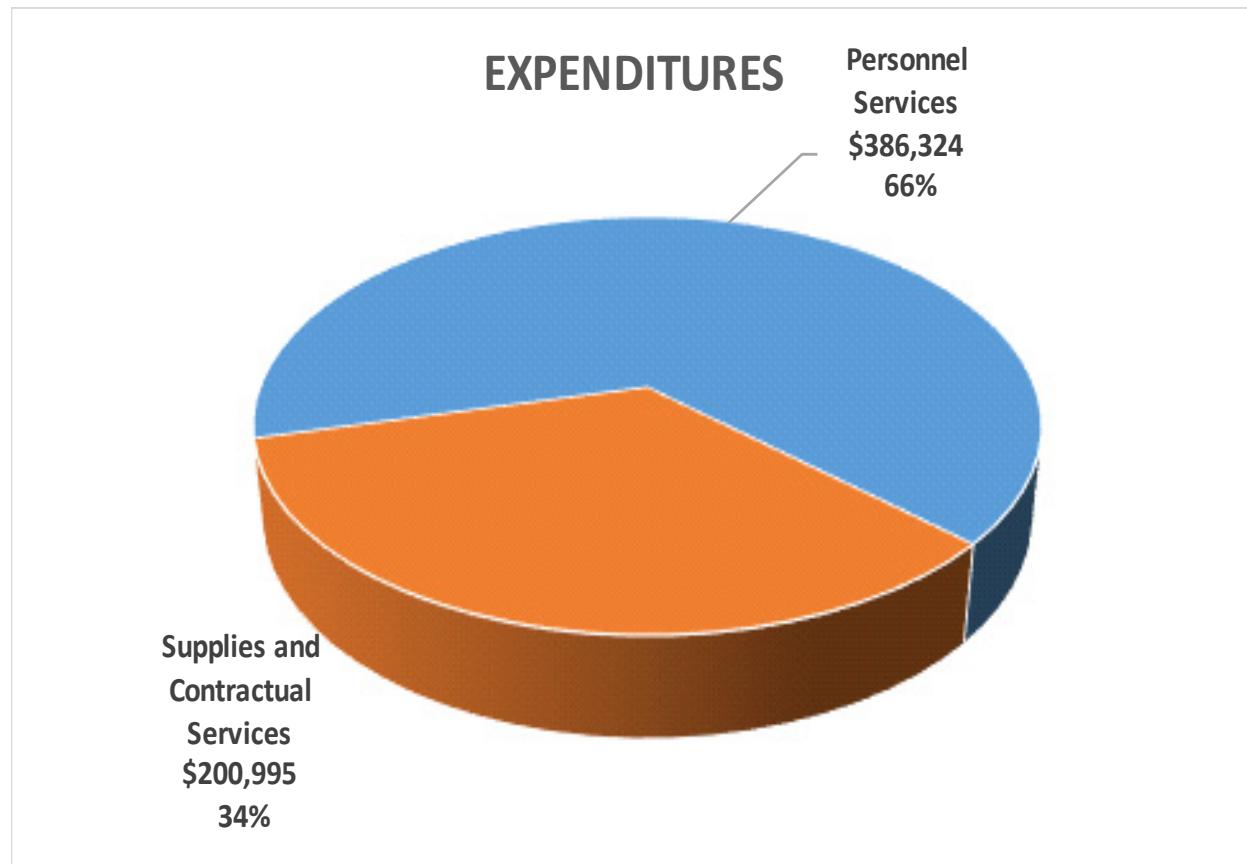


Permanent Personnel Allotment of 5 FTE

Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20
Council Members	5	0	0	5					
					TOTAL		5	0	0

Expenditure Analysis

Personnel Services	Funded \$145k for Council support services
Services and Supplies / Community Promotions	Funds for Santa Clara County Library services moved to Nondepartmental Budget
Capital Outlay	None



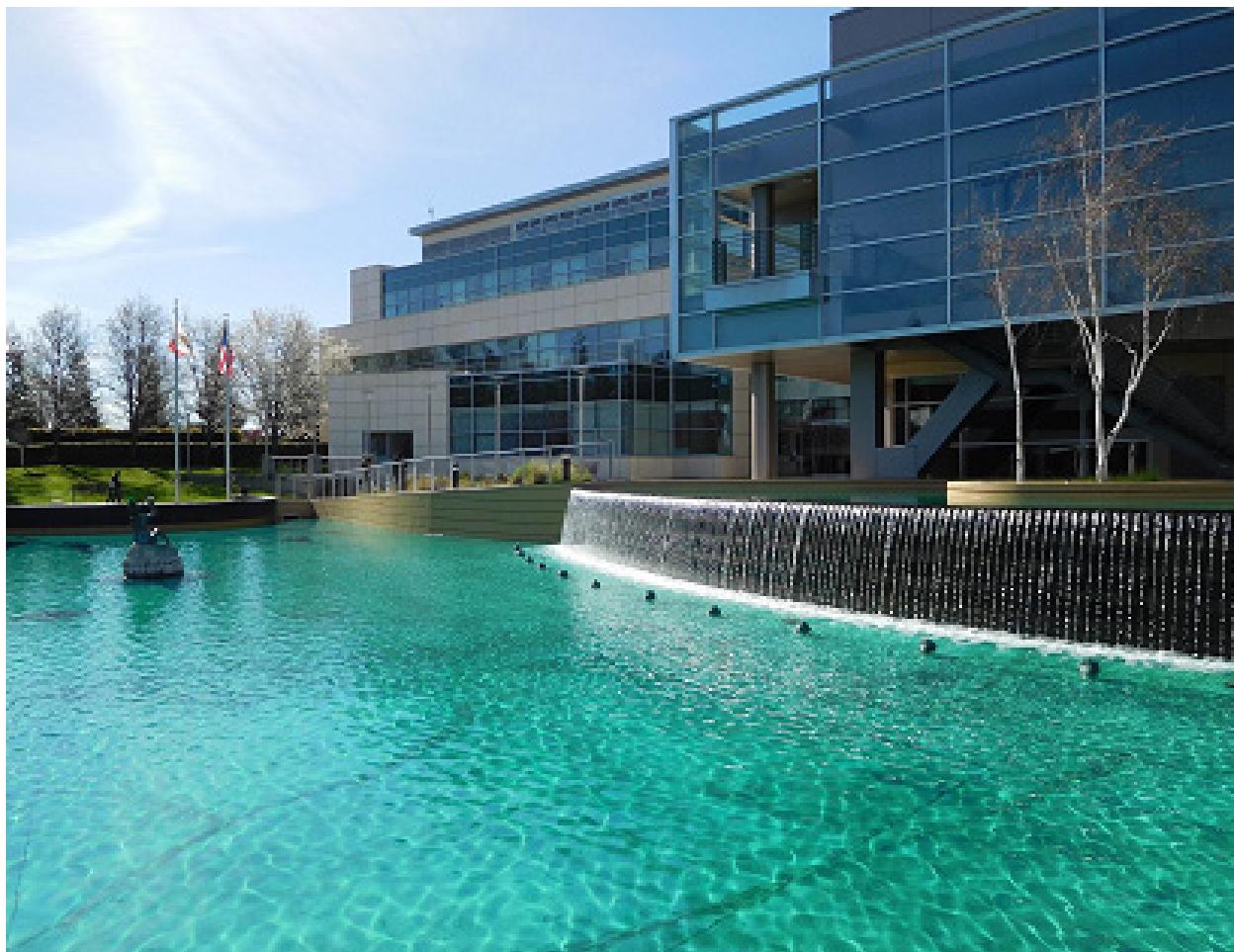
	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	57,077	56,978	56,994	56,994
4112 Temporary Salaries	3,100	2,525	4,800	149,556
4121 Allowances	37,549	37,078	38,700	38,700
4131 PERS	8,996	9,601	21,560	23,884
4132 Group Insurance	42,268	68,537	112,380	111,468
4133 Medicare	1,368	1,334	1,370	1,488
4135 Worker's Compensation	296	410	274	298
4139 PARS	438	548	0	72
4146 Short Term Disability	0	0	0	1,020
4161 Retiree Medical Reserve	0	0	2,844	2,844
sub-total	151,093	177,011	238,922	386,324
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	43,221	20,151	552,740	42,500
4220 Supplies	7,575	743	11,000	11,000
4230 Services	19,539	491,499	31,600	31,600
4501 Memberships and Dues	53,840	56,359	65,845	73,895
4503 Training	21,572	17,958	28,000	30,000
4520 Commissions and Boards	4,700	5,486	14,000	12,000
sub-total	150,446	592,196	703,185	200,995
TOTAL	301,538	769,207	942,107	587,319

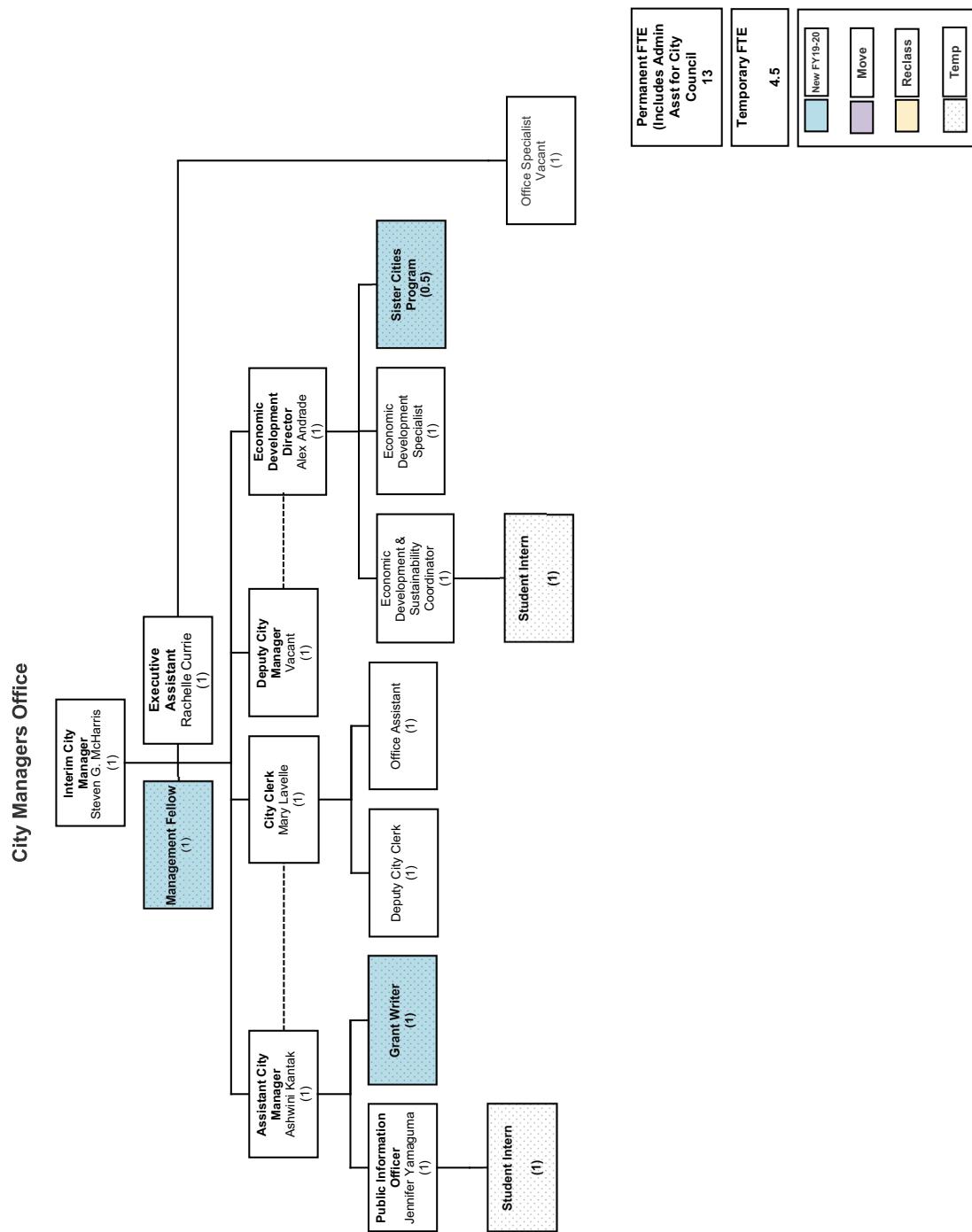
Mission Statement

The City Manager's Office is responsible for implementing and supporting City Council direction, managing day-to-day operations of the City, and providing leadership and professional management to the organization.

Functions

City Manager
City Clerk
Economic Development





FUNCTION: City Manager

INTERIM CITY MANAGER: Steven G. McHarris

Description: This function provides the administration of City government in an efficient and effective manner according to the general policy guidelines of the City Council and recommends strategies and solutions to issues for Council consideration.

Services

- Provides professional expertise and support to the City Council in formulation, interpretation and application of public policy to achieve community goals and objectives.
- Administers the operations of City government.
- Advances organizational vision, determines accountability, sets organizational goals, and builds organizational capacity.
- Implements the City's general policy guidelines.
- Submits for adoption a balanced budget that identifies all the anticipated revenues and expenditures.
- Provides timely and reasonable responses to the City Council, community and customers.
- Follows legislative activities of federal, state, regional and local political bodies and keeps Council apprised of the potential impact to the City.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhood and Housing	Community Wellness and Open Space	Governance and Administration
2018-2019 Accomplishments							
1. Per Council direction, successfully led voter approval effort to increase transient occupancy tax (hotel tax) from 10% to 14%, resulting in an estimated \$5 million of additional revenue to the General Fund				X			X
2. Successfully supported Council on several inclusionary housing policies and initiatives					X		
3. Continued to demonstrate sound fiscal management; recommended addition of resources at Mid-Year to support improved service delivery; developed a Master Fee Schedule to recover additional revenue and inform the budget							X
4. Continued to guide effort to improve permit turn-around time and customer satisfaction				X	X		X
5. Led robust community engagement on policies, Capital Improvement Program (CIP) projects and Annual Budget							X
6. Successfully oversaw analytical and outreach efforts that supported the approval of water and sewer rate increases to eliminate deficits and ensure 100% cost recovery							X
7. Led a complex inter-departmental effort on development services to ensure improved service delivery and 100% cost recovery							X
8. Continued to guide several inter-departmental efforts to improve processes and technology for more efficient City operations							X
9. Increased employee engagement through a survey, town halls, and other employee events							X
2019-2020 Goals							
1. Continue to support Council on advancing all Council Priority Areas	X	X	X	X	X	X	X
2. Continue to lead effective City operations and deliver high quality services to the Milpitas community	X	X	X	X	X	X	X
3. Demonstrate strong fiscal planning and stewardship to ensure the long term fiscal sustainability of the City							X
4. Develop a process to address legislative and regulatory issues in a timely and proactive manner							X
5. Implement technology and process improvements to streamline operations and improve collaboration across departments							X
6. Increase professional development, training, and mentoring opportunities for employees							X
7. Update outdated Council and administrative policies to ensure alignment with best practices and existing laws and regulations to mitigate risk for the City							X

Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
Residents that are satisfied or very satisfied with the quality of City services *	N/A	N/A	63%	70%
Residents contacting the City who say they are satisfied or very satisfied with the timeliness, courtesy and competency of City employees *	N/A	N/A	77%	83%
Employees who feel their work is valued by the City **	N/A	N/A	70%	75%
Employees who feel safe at work **	N/A	N/A	86%	90%
Employees receiving timely annual performance appraisals	N/A	N/A	85%	90%
Number of social media campaigns	N/A	N/A	5	10
Activity and Workload Data	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
City Council agenda items	463	463	386	463
Information Memos published	21	90	85	95
City Manager Weekly Reports	49	46	45	46
Press Releases	9	20	16	30
Communications to all employees (emails, newsletters, town hall meetings)	13	25	20	30

* - Source: 2019 Community Survey

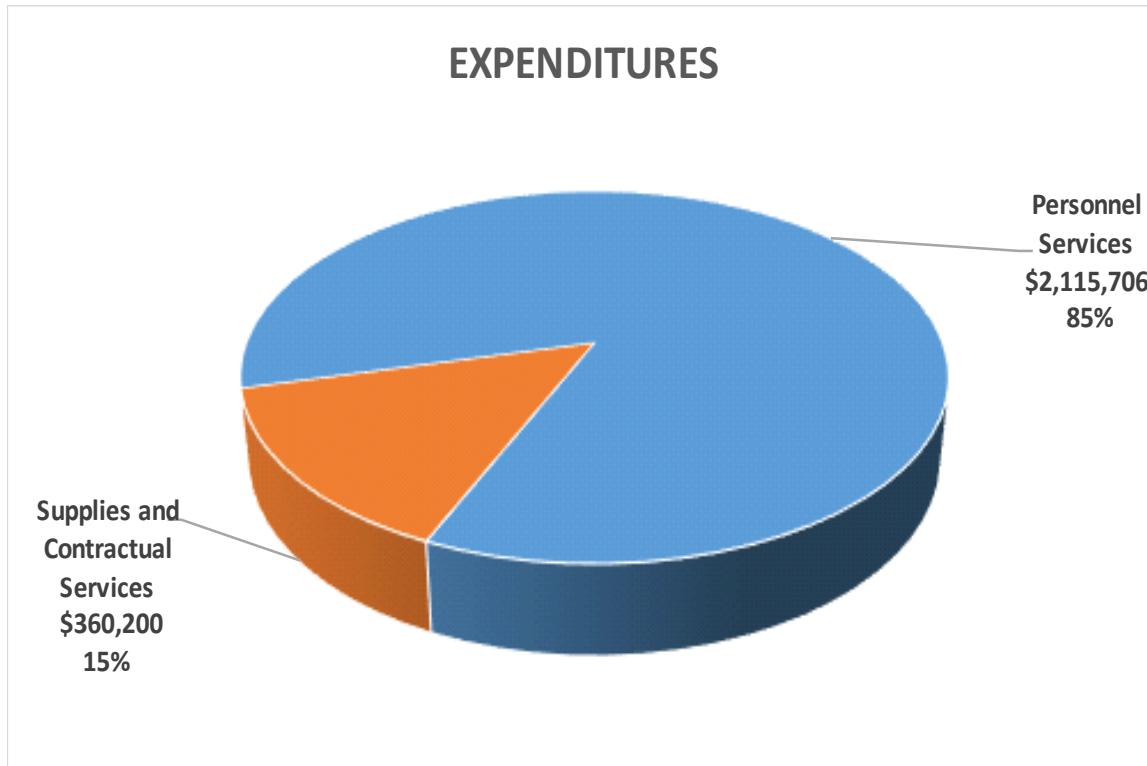
** - Source: 2018-2019 Employee Pulse Survey

Permanent Personnel Allotment of 6 FTE

Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20
City Manager	1	0	0	1	Public Information Officer	1	0	0	1
Assistant City Manager	1	0	0	1	Executive Assistant	1	0	-1	0
Deputy City Manager	1	0	0	1	Sr. Executive Assistant	0	0	1	1
Office Specialist	1	0	0	1					
					TOTAL		6	0	6

Expenditure Analysis

Personnel Services	Increase due to negotiated salary and benefit increases in PERS contributions rates, and temp positions (management fellow, student interns, and two-year limited term grant writer) \$303K
Services and Supplies	Increase in contractual services (community survey and 2020 Census) \$100K.
Capital Outlay	None



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	586,172	335,238	1,041,244	1,118,542
4112 Temporary Salaries	20,558	55,330	0	223,170
4113 Overtime	5,889	10,043	0	0
4121 Allowances	0	2,031	6,600	6,600
4124 Leave Cashout	38,148	51,570	0	0
4131 PERS	195,167	98,578	364,054	527,746
4132 Group Insurance	85,631	38,228	134,856	129,384
4133 Medicare	9,155	6,479	15,276	19,944
4135 Worker's Compensation	2,620	3,138	5,190	6,686
4138 Deferred Comp-Employer	3,188	1,416	5,400	26,256
4139 PARS	297	4,822	0	450
4146 Short Term Disability	0	0	0	1,224
4161 Retiree Medical Reserve	24,756	29,892	51,852	55,704
sub-total	971,583	636,764	1,624,472	2,115,706
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	8,186	7,001	10,000	10,000
4211 Equip Replacement Amortization	3,234	2,126	0	0
4220 Supplies	6,887	19,197	7,000	10,500
4230 Services	287,064	108,534	200,000	300,000
4501 Memberships and Dues	22,476	400	3,300	6,700
4503 Training	13,934	830	11,000	33,000
sub-total	341,781	138,087	231,300	360,200
TOTAL	1,313,363	774,851	1,855,772	2,475,906

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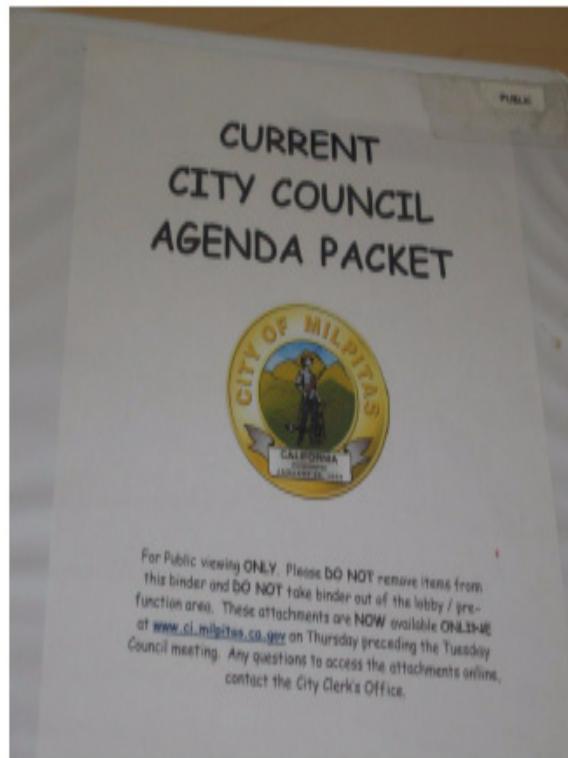
FUNCTION: City Clerk

CITY CLERK: Mary Lavelle

Description: The City Clerk serves as the legislative administrator, elections official, and records manager for the City. Serves as Clerk of City Council and Secretary to the Public Financing Authority and Housing Authority.

Services

- Prepares, edits and publishes City Council agenda and meeting minutes for all regular and special City Council meetings.
- Ensures municipal records are readily available and accessible to all and serve as main source point of information for residents, City officials and staff, and other governments.
- Complies with the Ralph M. Brown Act, the Public Records Act and the City's Open Government Ordinance.
- Provides centralized records management, including creating and retention of all meeting agendas and minutes of all City Council and other entity meetings.
- Coordinates outreach and tracking of terms of service and appointments to 12 City Commissions.
- Maintains codification of ordinances, i.e. ensuring publication of Milpitas Municipal Code by vendor Municipal Code Corporation.
- Administers municipal elections, including candidate filing in November of even years, and receives required campaign finance reports on semi-annual basis.
- Receives and files annual FPPC Form 700/Statements of Economic Interest for all designated employees, Commissioners, and elected officials.
- Responsible for requests for rental of City Hall facilities.
- Operates the U.S. Passport Acceptance Agency for passport applications.
- Conducts Administrative Hearings, upon request, for Parking Citation violations and others.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
2018-19 Accomplishments							
1. Prepared all City Council, Housing Authority, and Public Financing Authority regular & special meeting agendas and minutes. Implemented municodemeeetings AgendaPal software.	X	X	X	X	X	X	X
2. Conducted Candidate Filing for Municipal Election held on November 6, 2018. Coordinated with Registrar of Voters for all election matters, including filing for 13 candidates and one ballot measure.							X
3. Responded to Public Records Act and Open Government Ordinance requests for records.							X
4. Continued U.S. Passport Acceptance Agency program with service by appointment only and 1 Passport Fair on May 4, 2019.							X
5. Deputy City Clerk completed training to become Certified Municipal Clerk, and updated City Clerk's training for administrative hearing officer function.							X
6. City Clerk and Deputy City Clerk provided Notary Public service to departments and City staff, upon request.							X
7. Culled and destroyed eligible records/files, per adopted schedule, and added more records to online storage location for Public Access to Documents on website.							X
8. Collected and posted online required FPPC* documents, including all required Forms 700 and campaign committee Forms 460 & others.							X
9. Per Council direction, completed and distributed final, adopted new Commissioners Handbook.							X
2019-2020 Goals							
1. Prepare all City Council, Housing Authority, and Public Financing Authority regular and special meeting agendas and minutes.	X	X	X	X	X	X	X
2. Support New City Council Rules Sub-Committee.							X
3. Respond to Public Records Act requests for public records.	X	X	X	X	X	X	X
4. Continue successful operation of US Passport Acceptance Agency program.							X
5. Seek professional development opportunities for City Clerk and Deputy to stay up to date on current information, state laws and practices.							X
6. Collect and post online required FPPC documents, including all required Statements of Economic Interests (700) and campaign reports (460, etc.).							X
7. Destroy eligible records and files, according to Records Retention Schedule.							X
8. Track all Commissioner terms, maintain directory, provide Commissioner Handbook and training to all City of Milpitas appointed Commissioners.							X
9. Continue to provide Notary Public service.							X

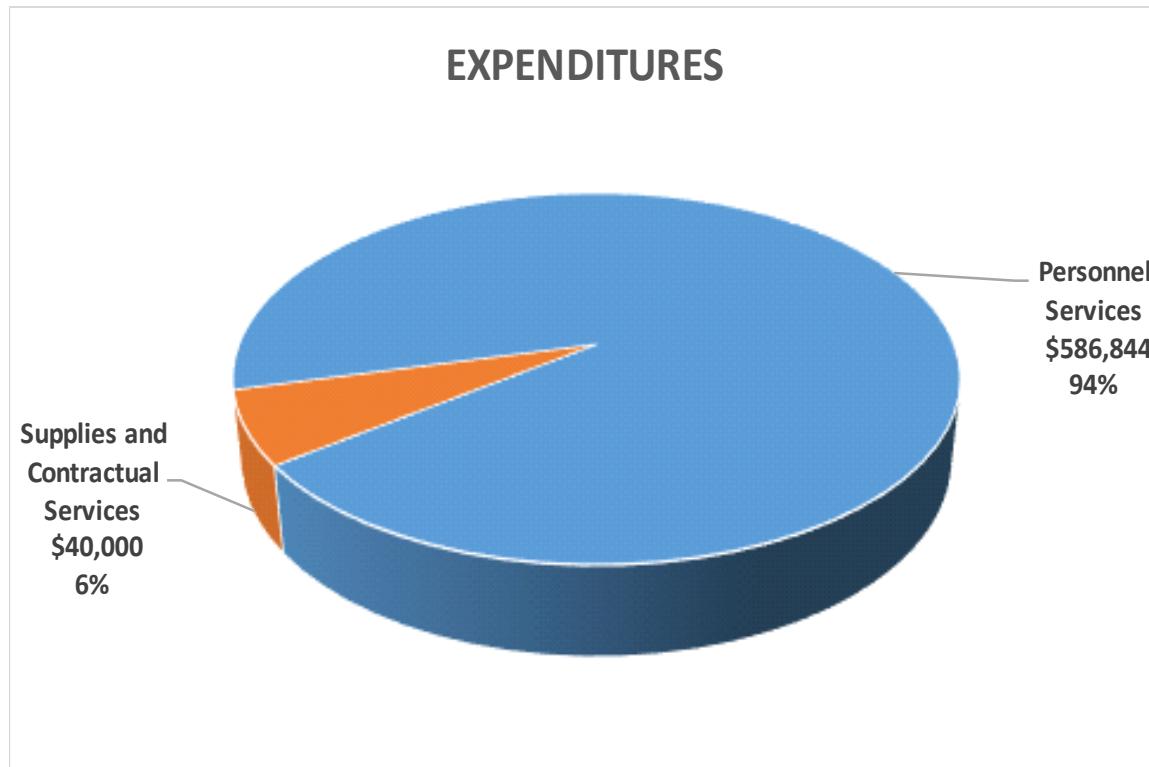
Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
City Council agendas posted on time, in accordance with Open Government Ordinance	100%	100%	100%	100%
Compliance with timely filings of Forms 700 / Statements of Economic Interest	98%	100%	98%	100%
Compliance with timely filings of Forms 460 / Campaign reports	100%	100%	95%	100%
Activity and Workload Data	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Agenda reports (regular and special)	439	350	343	350
City Council Meeting Minutes prepared (# pages written)	40 (249)	N/A	31 (188)	30
US passport applications accepted	2,465	2,300	2,250	2,400
Candidates assisted in Municipal Election	0	12	13	0
Tort Claims received by City Clerk	57	50	45	50
FPPC Forms 700 (SEI) received	131	176	176	185
FPPC Campaign Committee Reports filed	41	N/A	73	40

Permanent Personnel Allotment of 3 FTE

Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20
City Clerk	1	0	0	1	Office Assistant	1	0	0	1
Deputy City Clerk	1	0	0	1					
					TOTAL	3	0	0	3

Expenditure Analysis

Personnel Services	Increase in personnel services due to negotiated salary and benefit increases in PERS contribution rates.
Services and Supplies	Decrease in elections due to no election for the City in FY19-20 -\$200K.
Capital Outlay	None



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	237,666	294,005	322,196	351,179
4112 Temporary Salaries	17,254	4,991	0	0
4113 Overtime	0	244	0	0
4124 Leave Cashout	6,340	7,712	0	0
4131 PERS	71,979	96,783	121,452	144,133
4132 Group Insurance	25,408	49,058	67,428	64,692
4133 Medicare	3,928	4,536	4,708	5,141
4135 Worker's Compensation	1,179	1,572	1,544	1,671
4138 Deferred Comp-Employer	1,800	2,400	2,700	2,700
4139 PARS	259	76	0	0
4146 Short Term Disability	0	0	0	612
4161 Retiree Medical Reserve	11,839	15,696	15,372	16,716
sub-total	377,651	477,072	535,400	586,844
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	1,750	2,012	3,000	3,000
4230 Services	25,824	21,604	28,000	30,000
4280 Elections	168,581	0	200,000	0
4501 Memberships and Dues	540	729	1,500	2,000
4503 Training	4,854	4,891	6,000	5,000
sub-total	201,549	29,236	238,500	40,000
TOTAL	579,200	506,308	773,900	626,844

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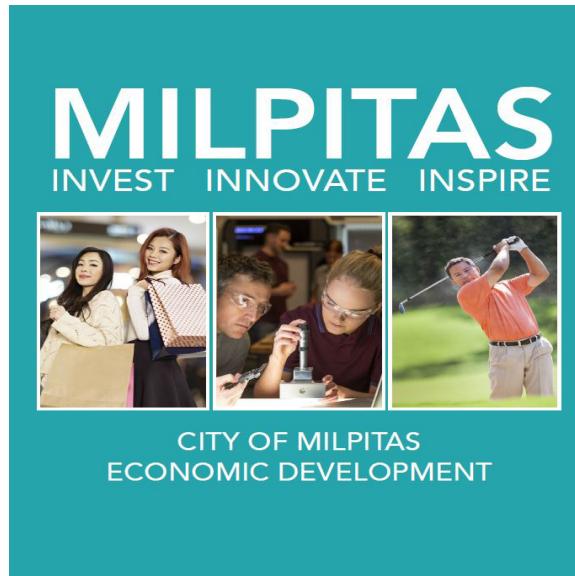
FUNCTION: Economic Development

Economic Development Director: Alex Andrade

Description: Economic Development Department strategizes, manages and directs programs and activities such as business retention and attraction, workforce development, revitalization, land-use, marketing & branding, and real estate economics.

Services:

- Business Recruitment, Retention, and Expansion: Enhance the City's connection to the global economy by engaging with existing and prospective companies in order to attract and retain job-creating businesses.
- Small Businesses Assistance: Develop seminars, educational programs, and collateral to assist small businesses in various aspects of business management, permits, and marketing.
- Development Facilitation: Facilitate development projects that generate property tax, transient occupancy tax, and sales tax revenues. Ombudsman for permitting process to largest economic development projects from the inception of the project to the completion. Projects include hotels, mixed-use development, industrial, restaurants, retail and etc.
- Economic Development Studies: Conduct studies that enhance and sustain the city's economic vitality. Manage consulting contracts for economic development studies to utilize data to enhance economic base of the city.
- Retail Development: Recruit key businesses that fill retail gaps and provide sales tax revenues and needed services to the community.
- Branding and Marketing: Develop and implement branding and marketing strategies to promote the city at regional, national, and international levels.
- Economic Development Analysis: Track sales and transient occupancy taxes to follow trends and gaps. Evaluate economic development data such as, but not limited to jobs, gross domestic product, populations growth locally, regionally, statewide, and nationally.
- Workforce Development: Support workforce development by collaborating with regional workforce development organizations, educational institutions, business corporations, and nonprofit organizations.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
2018-19 Accomplishments							
1. Continue business recruitment, retention, and expansion programs.				X			
2. Promoting Milpitas-based manufacturing companies in order to retain and recruit companies and jobs.				X	X		
3. Support workforce development.				X		X	
4. Support small businesses.				X			
5. Facilitate development projects that generate property tax and sales tax revenue.				X			X
6. Conduct studies that enhance and sustain the City's economic vitality.				X		X	
7. Recruitment of key businesses in the TASP area and beyond.				X	X		
8. Branding and marketing of the City and the Transit Area.				X	X		
9. Partnership with Milpitas Unified School District and Evergreen Valley College.				X		X	
10. Increasing the City tax base through varies means.				X		X	
2019-2020 Goals							
1. Cultivate a strong, stable and diverse local economy.		X		X		X	
2. Achieve fiscal sustainability and maintain adequate revenues to provide quality and essential public services.	X	X	X	X	X	X	X
3. Encourage new development in key opportunity areas that provide high-quality work environments and competitive business locations.		X	X	X			
4. Pursue economic development opportunities that foster and improve local quality of life.				X		X	
5. Increase community workforce preparedness and cultivate an entrepreneurial environment that fosters innovation.		X		X		X	

Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
Corporate Visitation Program – Percentage of corporate visits that lead to a follow up	N/A	N/A	N/A	9****
Business Engagement – Number of meetings with the corporate, brokerage and development communities leading to business attraction, retention and expansion	N/A	N/A	N/A	50****
Customer Service – Percentage of business partners engaged with the Economic Development team who rank their experience as "very good" or "excellent" on a survey	N/A	N/A	N/A	70%****
Investments – Number of announced investments – new and expansions	N/A	N/A	N/A	20****
Branding – Number of promotions and marketing of the local business community through social media and other digital media platforms (SVBJ)	N/A	N/A	N/A	12****
Permit Assistance (Business Assistance or Ombudsman Services) – number of firms who received permit and other assistance from Economic Development staff	N/A	N/A	N/A	30****
<hr/>				
Activity and Workload Data	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Corporate Visitation Program – Percentage of corporate visits that lead to a follow up *	N/A	N/A	N/A	9
Business Engagement – Number of meetings with the corporate, brokerage and development communities leading to business attraction, retention and expansion *	N/A	N/A	N/A	50
Customer Service – Percentage of business partners engaged with the Economic Development team who rank their experience as "very good" or "excellent" on a survey*	N/A	N/A	N/A	70%
Investments – Number of announced investments – new and expansions **	N/A	N/A	N/A	20
Branding – Number of promotions and marketing of the local business community through social media and other digital media platforms (SVBJ) *	N/A	N/A	N/A	12
Permit Assistance (Business Assistance or Ombudsman Services) – number of firms who received permit and other assistance from Economic Development staff ***	N/A	N/A	N/A	30

* - Source: Economic Development Staff

** Source: CoStar, Silicon Valley Business Journal, real estate community, social media, etc

*** Source: Economic Development, Planning, Public Works, and Engineering Staff

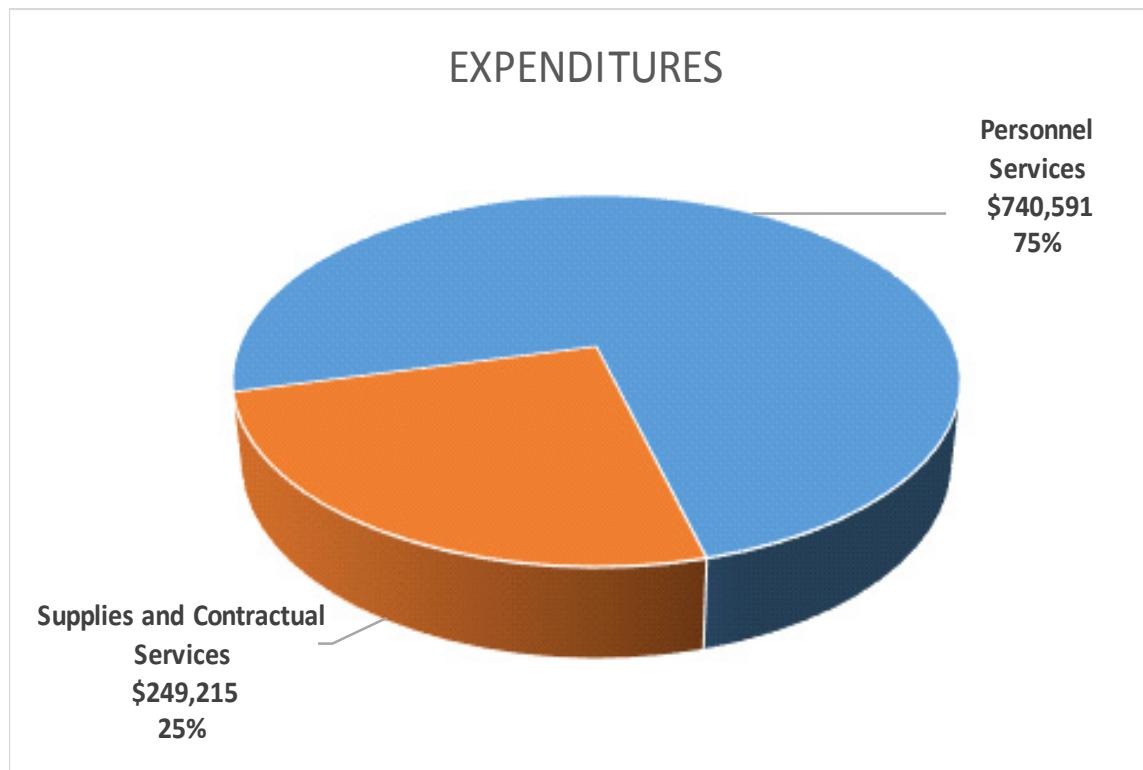
**** Targets commencing with FY 19-20.

Permanent Personnel Allotment of 3 FTE

Position	FY19	FY19 Mid Yr Add	Adopted Add	FY20	Position	FY19	FY19 Mid Yr Add	Adopted Add	FY20
Economic Development Director	1	0	0	1	Economic Development Specialist	1	0	0	1
Economic Development Coordinator	1	0	0	1					
					TOTAL	3	0	0	3

Expenditure Analysis

Personnel Services	Increase in personnel services due to negotiated salary and benefit increases including PERS contribution rates. Increase in temporary staffing and community promotions (Sister Cities Program) \$25K.
Services and Supplies	Decrease in contractual services primarily on printing and communications -\$50K.
Capital Outlay	None



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	0	351,681	421,937	416,526
4112 Temporary Salaries	0	15,750	30,000	55,000
4124 Leave Cashout	0	9,141	0	0
4131 PERS	0	106,327	127,326	170,784
4132 Group Insurance	0	45,070	67,428	64,692
4133 Medicare	0	5,501	5,672	6,883
4135 Worker's Compensation	0	1,618	1,938	2,295
4138 Deferred Comp-Employer	0	2,366	2,700	2,700
4139 PARS	0	236	0	825
4146 Short Term Disability	0	0	0	612
4161 Retiree Medical Reserve	0	14,700	19,428	20,274
sub-total	0	552,390	676,429	740,591
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	13,225	0	6,240
4220 Supplies	0	576	1,500	1,500
4230 Services	0	109,467	255,000	205,000
4501 Memberships and Dues	0	23,349	24,505	26,225
4503 Training	0	12,151	15,000	10,250
sub-total	0	158,768	296,005	249,215
TOTAL	0	711,158	972,434	989,806

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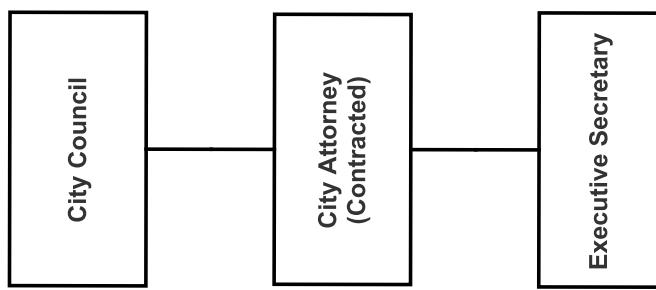
Mission Statement

The Office of the City Attorney provides cost effective legal representation, analysis and guidance to the City Council and City staff at the highest level of professionalism.

Department

City Attorney





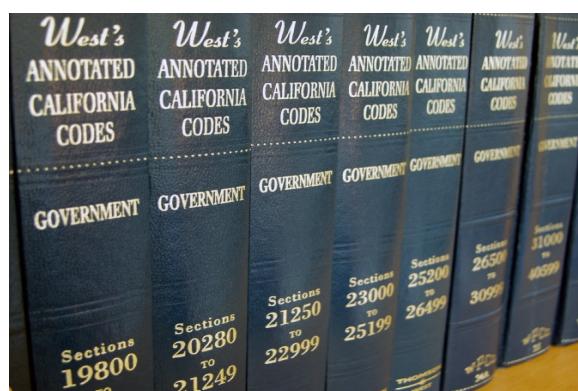
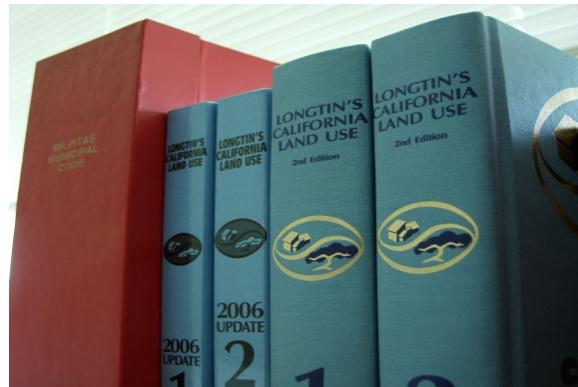
DEPARTMENT: Office of the City Attorney

CITY ATTORNEY: Christopher J. Diaz

Description: This department provides general legal advice and services to the City Council, RDA Successor Agency, Housing Authority, City Commissions, City Manager, City departments and other entities as approved by City Council. The City Attorney's department prepares or approves as to form all proposed ordinances, resolutions, agreements and amendments thereto. This department negotiates and drafts complex agreements, including at times development agreements with developers. This department represents the City in litigation and supervises litigation of PLAN JPA appointed counsel. This department also provides guidance in personnel matters.

Services

- General legal advice
- Personnel advice
- Litigation
- Employee legal training
- Compliance advice related to current and forthcoming federal and State regulations
- Housing Authority and RDA Successor Agency legal services
- Land use advice and document preparation
- Conflict of Interest and Open Government guidance



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
2018-2019 Accomplishments							
1. Provide superior, affordable, timely legal advice and service	X	X	X	X	X	X	X
2. Continue to serve the Police Department on gun confiscation petitions and other related matters	X						X
3. Provide ongoing legal training to staff, commissions, etc.	X						X
4. Provide ongoing advice re: TASP and development in the TASP, including BART project			x	x		X	
5. Update various Municipal Code sections, as authorized	X	X	X	X	X	X	X
6. Assist staff with various ordinances regarding affordable housing				X	X		
7. Assist with cannabis regulations	X					X	X
8. Assist with complex litigation matters	X	X	X				X
9. Aide the City Council in various conflict, gift, and ethics questions							X
10. Continue to advise on Public Records Act requests and provide training for City staff on the Public Records Act							X
2019-2020 Goals							
1. Continue to provide superior, affordable, timely legal advice and service	X	X	X	X	X	X	X
2. Continue to advise the Council on various legal issues including conflicts of interest, gift rules, and ethics compliance							X
3. Continue to offer various legal trainings to staff and coordinate on ethics training, sexual harassment avoidance training, and other timely topics							X
4. Continue to update the Municipal Code based on changes in the law	X	X	X	X	X	X	X
5. Work in tandem with City staff to ensure legal compliance	X	X	X	X	X	X	X
6. Continue to monitor all pending litigation and provide timely updates to the Council							X

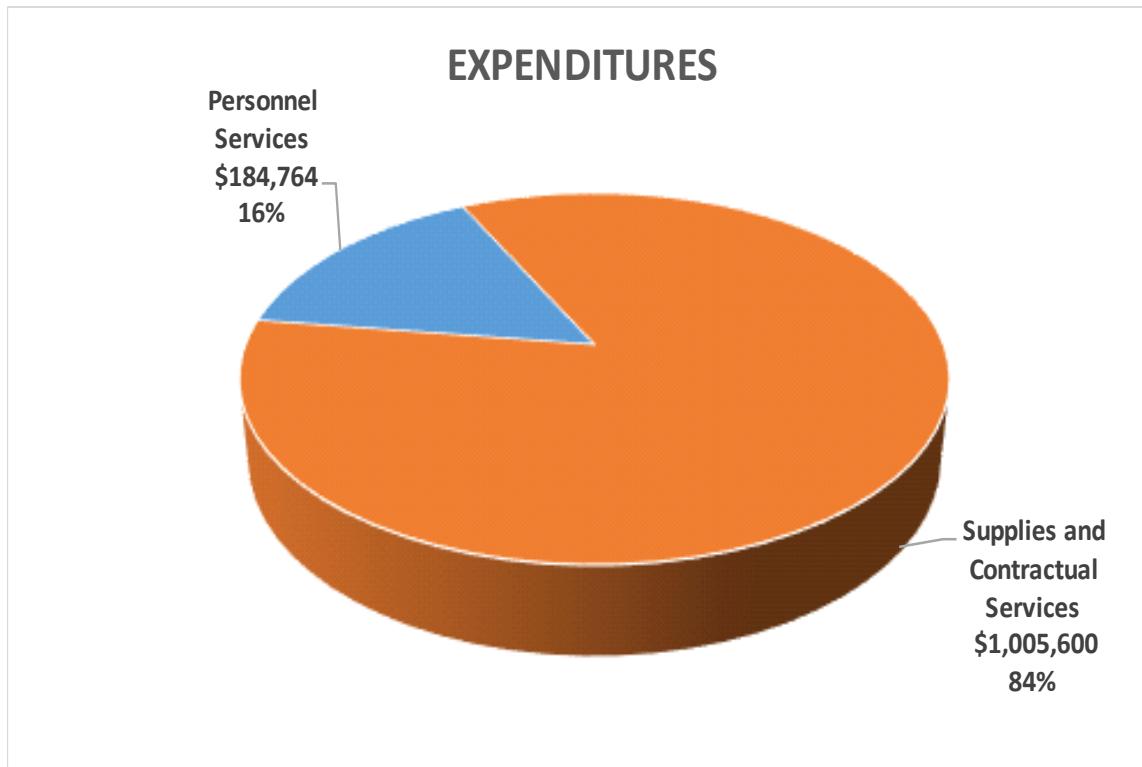
Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
Contract complaints / Council agenda contracts	0 / 107	0 / 74	0 / 80	0 / 80
Documents timely produced for Council and Planning Commission Agendas	100%	100%	100%	100%
Activity and Workload Data	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Ordinances	13	9	10	10
Resolutions (Council & Planning Commission)	148	106	110	110
Contracts reviewed / approved	236	354	360	360
Court / administrative cases handled / supervised	37	53	45	45

Permanent Personnel Allotment of 1 FTE

Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 18 Mid Yr. Add	Adopted Add	FY 20
Executive Secretary	1	0	0	1					
TOTAL						1	0	0	1

Expenditure Analysis

Personnel Services	No significant changes.
Services and Supplies	Increase to attorney services budget of \$439K, which reflects a more accurate amount for City Attorney's services based on historic actual year-end. (\$97,000 was added during FY 18-19 for the new City Attorney contract approved September 2018)
Capital Outlay	No change.



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	104,048	106,759	109,912	109,912
4131 PERS	28,142	32,868	41,486	45,176
4132 Group Insurance	20,810	21,258	22,476	21,564
4133 Medicare	1,522	1,561	1,608	1,608
4135 Worker's Compensation	456	480	492	492
4138 Deferred Comp-Employer	900	900	900	900
4146 Short Term Disability	0	0	0	204
4161 Retiree Medical Reserve	4,584	4,764	4,908	4,908
sub-total	160,462	168,591	181,782	184,764
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	818	826	1,500	1,500
4230 Services	922,202	1,042,855	565,650	1,004,100
sub-total	923,020	1,043,680	567,150	1,005,600
TOTAL	1,083,481	1,212,271	748,932	1,190,364

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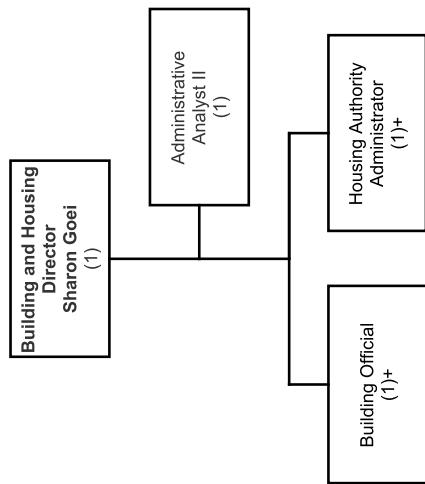
Mission Statement

The Building and Housing Department is dedicated to enhancing the community's safety, welfare, economic vitality, and quality of life by ensuring that buildings are reviewed, permitted, and inspected to be safe, sustainable, and resilient. Preserving the quality and beauty of neighborhoods through enforcement of City regulations and creating, increasing, and preserving affordable housing and supportive programs for the community are also at the forefront of efforts by the Department to promote the health and welfare of this vibrant and diverse City.

Functions

Building and Housing Administration
Plan Review Services
Permit Center
Building Inspection Services
Housing and Neighborhood Services



Building and Housing Department

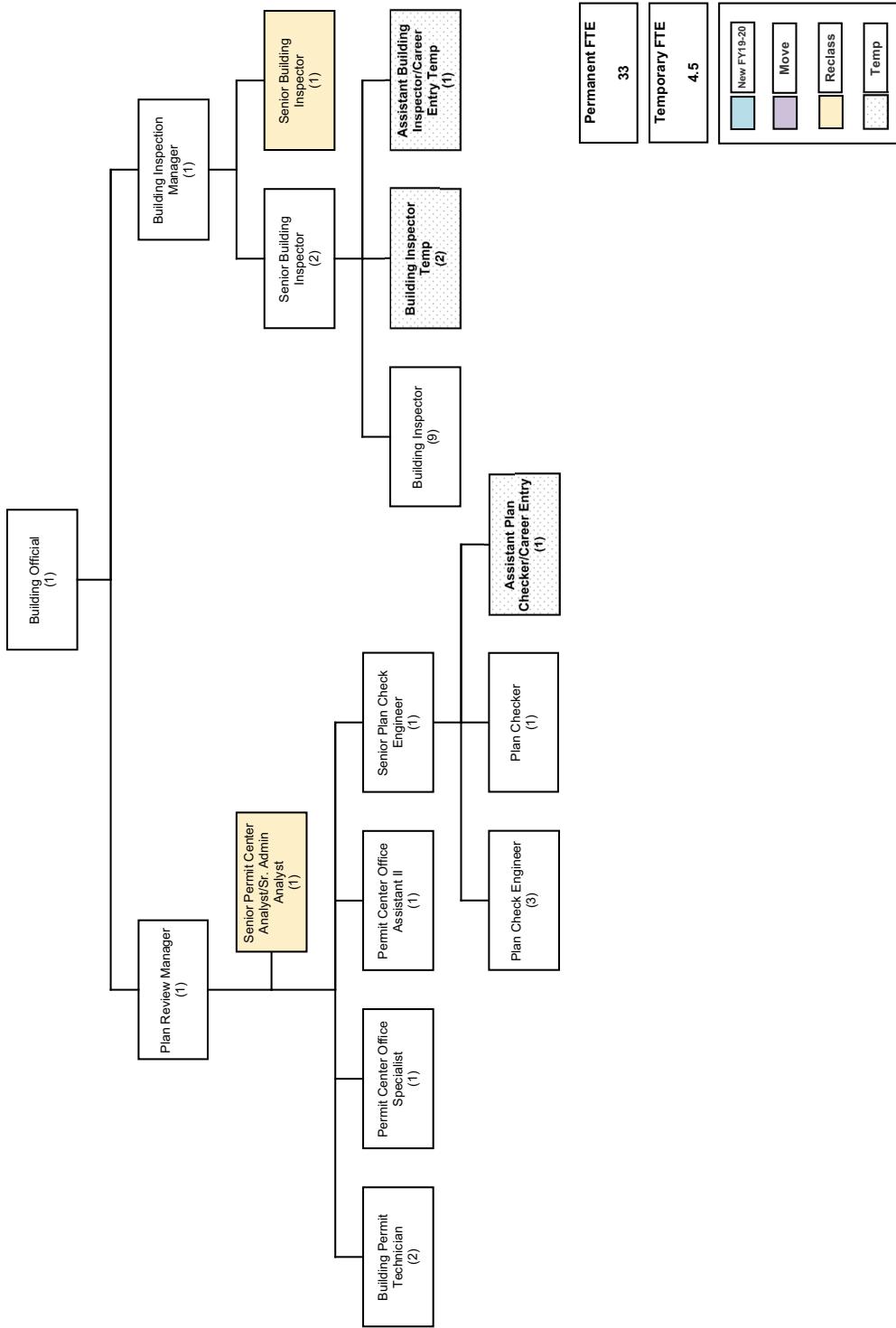
Permanent FTE	33
Temporary FTE	4.5

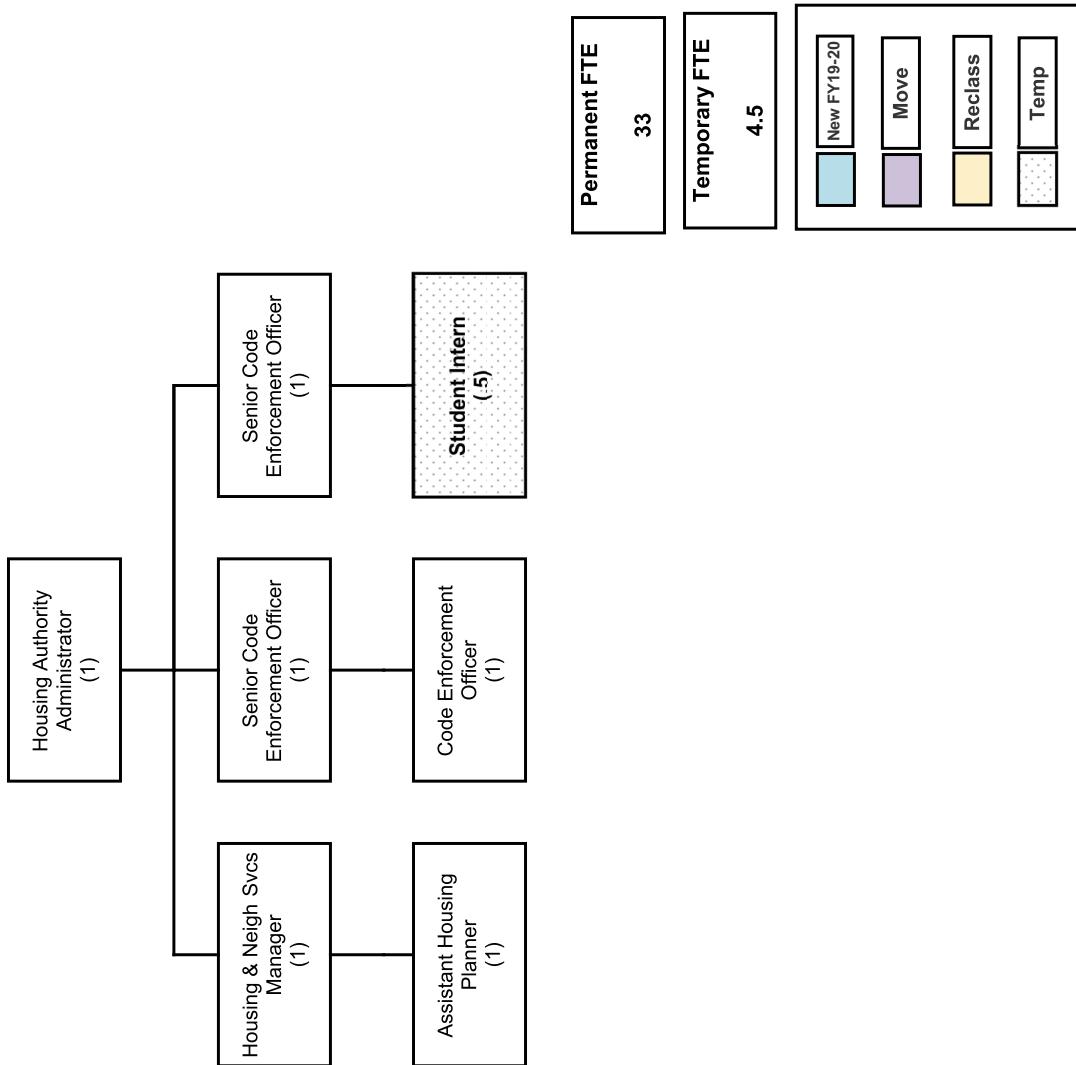
Legend:

- New FY19-20
- Move
- Reclass
- Temp

+ Detail Org Chart on
Following Page(s)

Building and Housing Department



Building and Housing Department

DEPARTMENT: Building and Housing

BUILDING AND HOUSING DIRECTOR: Sharon Goei

Description: The Building and Housing Department provides plan review, permit administration, and inspection services to implement building safety codes and quality standards to safeguard the public health and safety for the built environment. It provides code enforcement and neighborhood services to maintain and enhance neighborhood quality and general welfare. It also administers the Community Development Block Grant program and Housing Authority, and develops and implements policies and programs to create affordable housing and enhance housing supportive services for the community.

Services

- Review construction plans and documents to ensure safety through compliance with technical codes, State and local regulations, and acceptable engineering practices.
- Perform inspections, including occupancy inspections, to ensure safety of occupants and that buildings are constructed in accordance with approved plans and applicable State and local regulations.
- Assist customers in obtaining building permits and monitor plan submittal process from initial submittal to permit issuance using 'One Point of Contact' approach.
- Process permit applications, collect permit fees, perform records research, and maintain building plans and records.
- Develop and update easy-to-follow website allowing customers to receive up-to-date information on code requirements, submit permit applications, obtain submittal requirements, and ask questions regarding other Building and Housing information.
- Meet with developers, design professionals, homeowners, and contractors to assist them in the timely issuance of permits and completion of projects including after business hours services as requested.
- Provide assistance to the Fire Department in fire investigations and building owners for other emergencies.
- Provide assistance and inspections to mobile home parks.
- Provide code enforcement services to correct Health and Safety Code and Municipal Code violations.
- Administer programs for abandoned vehicles, shopping carts, animal control, and neighborhood beautification.
- Review and adopt affordable housing policies and programs to advance towards the City's Regional Housing Needs Allocation (RHNA) goals.
- Manage and maintain the City's Below Market Rate housing program and applicant waiting list.
- Identify or coordinate funding sources for affordable housing development and preservation.
- Administer the City's Community Development Block Grant (CDBG) program and Housing Authority.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
2018 - 2019 Accomplishments							
1. Implemented 100% paperless plan submittal and permit issuance.				X			X
2. Updated software to improve permitting and inspections.				X			X
3. Assisted the building inspection apprentices to be certified in all trades and as fully trained building inspectors.	X			X			X
4. Enhanced the Department website based on feedback provided by customers.				X			X
5. Streamlined permit process by simplifying fee schedule.				X			X
6. Enhanced customer service with improved electronic service request forms.				X			X
7. Continued to enhance the functionality of the Building Department smartphone app.				X			X
8. Continued to train staff on codes and cross-train staff to improve consistency.	X			X			X
9. Improved percentage of plan checks and inspections completed on time.				X			X
2019-2020 Goals							
1. Complete department reorganization and integration.							X
2. Provide resources, training, and professional development opportunities for team members.							X
3. Complete development and implementation of the revamped Fee Schedules as developed by staff and consultant and adopted by City Council.				X			X
4. Continue to identify and modify or eliminate policies that were inconsistent, overly restrictive, or not supported by the Building Codes.				X	X		X
5. Renew efforts to improve inspection and plan review efficiencies.				X	X		X
6. Engage in the process of adopting the new Building Codes and revisions to the Municipal Code	X	X		X	X		
7. Participate in the Silicon Valley Clean Energy Reach Code amendment process with possible adoption of Energy Code amendments to reduce greenhouse gas (GHG) emissions.	X	X		X	X		
8. Review and adopt affordable housing policies and programs to advance towards the City's Regional Housing Needs Allocation (RHNA) goals.				X	X		
9. Review the City's Below Market Rate program policies and priorities.				X	X		
10. Commit to provide quarterly workshops on fair housing and tenant support resources.				X	X		
11. Conduct more outreach for increased Community Development Block Grant (CDBG) participation.				X	X		
12. Update code enforcement ordinances.	X			X	X	X	

Performance Measures*	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
% of over the counter plan check	34%	33%	36%	40%
Average first round plan check turnaround time for new construction and major tenant improvements (days)	45	45	42	25
% of inspections completed same day	97%	97%	97%	98%
% of inspections completed next day	3%	3%	3%	2%
% of code enforcement cases in compliance within 30 days	67%	75%	75%	75%
Activity and Workload Data*	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Total building permit construction valuation	\$412,631,232	\$500,000,000	\$400,000,000	\$500,000,000
Number of building permits issued	4,831	4,000	4,000	4,000
Number of permit counter customers served	5,662	5,300	5,300	5,000
Number of plan checks completed	4,842	4,500	4,500	4,500
Number of inspections completed	27,938	27,000	28,000	28,000
Number of code enforcement customer service requests	714	850	850	850
Number of Milpitas residents served by CDBG funds**	2,077	3,000	3,000	3,000

*Source of all data except CDBG: The permit system TRAKIT

** Source: CDBG data is gathered from service organizations

Permanent Personnel Allotment of 33 FTE

Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20
Building & Housing Department Director	1	0	0	1	Senior Building Inspector	2	0	1	3
Bldg Inspection Mgr	1	0	0	1	Senior Plan Check Engineer	1	0	0	1
Building/NP Inspector	5	4	0	9	Assistant Housing Planner *	0	1	0	1
Building Official	0	1	0	1	Housing Authority Administrator *	0	1	0	1
Building Permit Technician	2	0	0	2	Housing & Neigh Svcs Manager *	0	1	0	1
Electrical Building Inspector(Sr. Bldg Inspector)	1	0	-1	0	Code Enforcement Officer *	0	1	0	1
Senior Permit Center Analyst/ Sr. Admin Analyst	0	0	1	1	Sr. Code Enforcement Officer*	0	2	0	2
Plan Checker	1	0	0	1	Administrative Analyst II	0	1	0	1
Plan Check Engineer	2	2	-1	3	Permit Center Office Assistant II (Office Assistant II)	1	0	0	1
Plan Review Manager	0	1	0	1	Permit Center Office Specialist (Office Specialist)	1	0	0	1
TOTAL						18	15	0	33

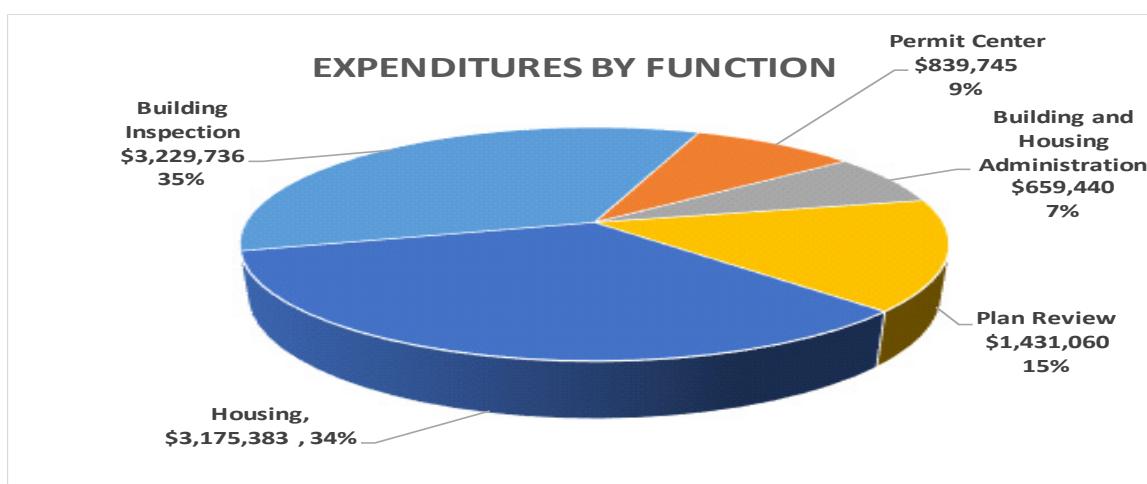
Total temporary FTE: 4.5

* Position added due to the transfer of function 551 (Neighborhood Services / Housing) from Planning Department to Building and Housing Department.

** Total of 15 positions increased - 6 from transfer of function 551, and 9 from mid year adds (3 new and 6 status change from temp to regular).

Expenditure Analysis

Personnel Services	Increase in personnel services due to negotiated salary and benefit increases including PERS contribution rates. Increase from transfer of function 551 (Neighborhood Services/Housing) from the Planning Department \$2.035M, including transfer of 6 FTEs.
Services and Supplies	Contractual services for non-profit homelessness case manager/operating grant/ affordability covenants/Project Sentinel \$396K.
Capital Outlay	None.



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	2,077,834	2,123,951	2,606,204	3,817,187
4112 Temporary Salaries	494,567	529,332	1,097,937	494,840
4113 Overtime	4,029	31,928	34,000	70,000
4124 Leave Cashout	16,670	82,688	0	0
4131 PERS	736,454	893,788	1,343,293	1,711,392
4132 Group Insurance	462,175	515,185	764,177	820,812
4133 Medicare	37,335	40,062	53,024	63,048
4135 Worker's Compensation	31,047	29,603	31,604	27,427
4138 Deferred Comp-Employer	18,230	28,275	20,700	29,700
4139 PARS	1,472	75	0	255
4146 Short Term Disability	0	0	0	6,732
4161 Retiree Medical Reserve	144,159	164,377	180,875	213,966
sub-total	4,023,971	4,439,264	6,131,814	7,255,359
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	381,863	288,993	650,000	939,334
4211 Equip Replacement Amortization	50,928	56,643	53,573	53,971
4220 Supplies	11,177	18,430	23,750	26,000
4230 Services	468,974	727,199	531,500	1,007,800
4501 Memberships and Dues	2,010	1,610	2,800	8,900
4503 Training	25,708	12,565	26,500	44,000
sub-total	940,661	1,105,441	1,288,123	2,080,005
CAPITAL OUTLAY				
4850 Vehicles	24,526	25,059	0	0
sub-total	24,526	25,059	0	0
TOTAL	4,989,159	5,569,764	7,419,937	9,335,364

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Mission Statement

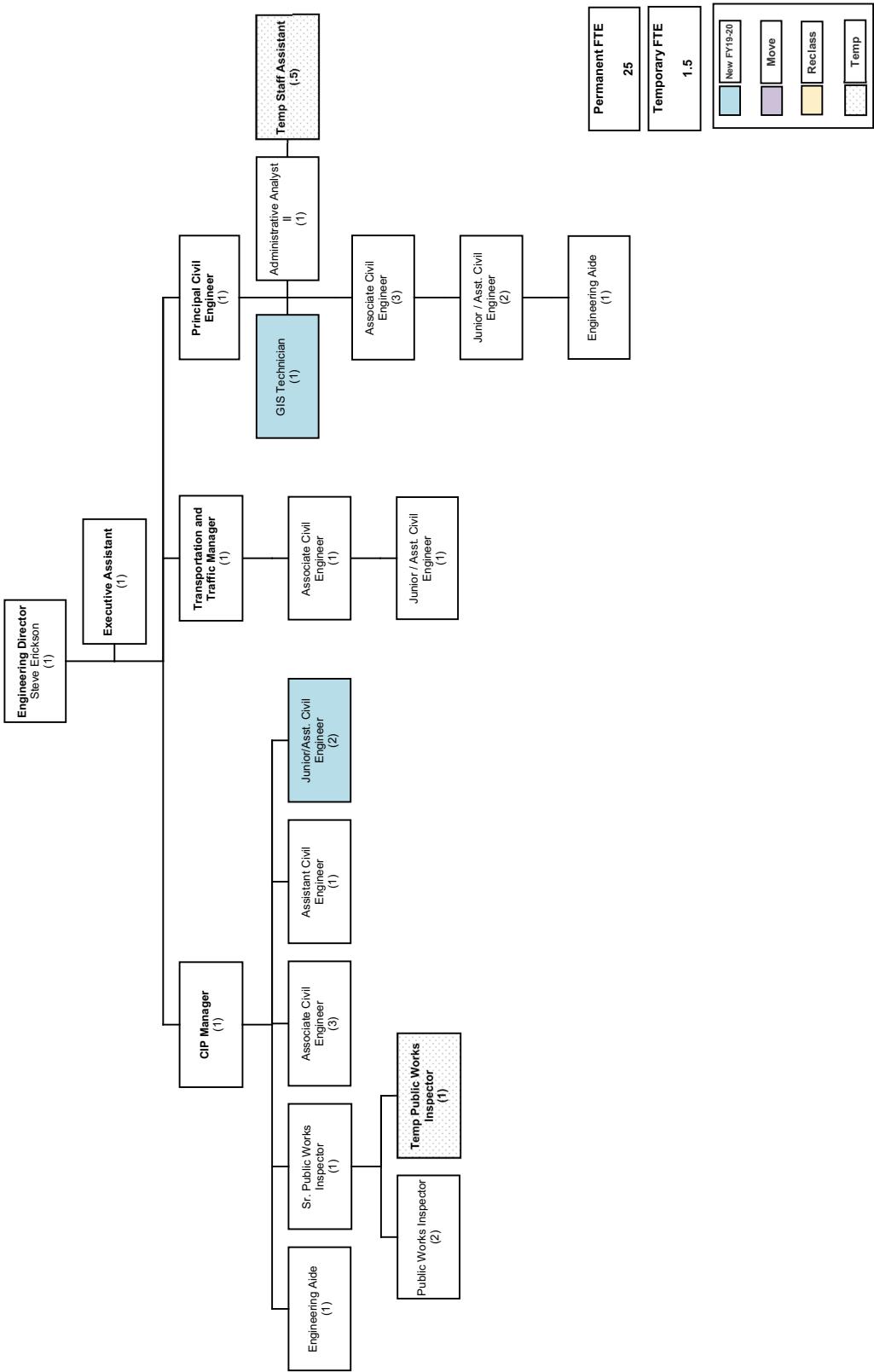
The Engineering Department provides resources to enhance and improve City infrastructure through the design, management, and construction of public improvements, including the administration of various public works programs in a safe, coordinated, timely, and cost effective manner with responsive service to the entire community.

Functions

Engineering Administration
Design & Construction
Land Development
Transportation & Traffic



Engineering Department



DEPARTMENT: Engineering

DIRECTOR OF ENGINEERING: Steven Erickson

Description: This Department provides professional engineering services for the completion of the City's annual Capital Improvement Program (CIP), performs inspection services for both capital projects and private development construction impacting streets and the public right-of-way. Department staff provide review and plan check services for private development project drawings and maps to ensure compliance with adopted city standards, and staff administers encroachment permits for construction work within the public right-of-way. Department staff participate in regional programs and coordinate with local agencies in the areas of flood control, urban runoff, transportation, solid waste, and recycling. The Engineering Department has three functions: Design & Construction, Land Development, and Transportation & Traffic.

Services

- The Engineering Director/City Engineer leads the Department, including the allocation of resources, determination of staff assignments, and oversees the workload to ensure that infrastructure and work constructed within the City's right-of-way is completed in accordance with industry standards, City codes, state, and federal regulations to protect public health and safety.
- Design & Construction staff oversee the preparation of construction documents, administer and manage construction contracts for the completion of the city's Capital Improvement Program (CIP). Design & Construction Section staff, in conjunction with the Finance Department, create the annual 5-year Capital Improvement Program (CIP) document which funds and prioritizes the completion of capital projects for streets, water, sewer, storm drain utilities, parks, and community infrastructure. Design & Construction Inspection staff review city capital and private development projects in construction for compliance with the City standards.
- Land Development staff manage right-of-way encroachments and review private development plans and maps for conformance with City Standards, local, state and federal requirements. Staff ensures private development projects provide required public infrastructure in accordance with development Conditions of Approval. Land Development staff manage encroachment permits for construction within City streets and the public right-of-way, regulate development within the designated floodplain, maintain the City's Community Rating System (CRS) flood insurance rating, and manage the city's record drawing library of city infrastructure.
- Transportation & Traffic engineering staff provide technical review and evaluation of traffic and transportation studies related to development within the City. Staff oversees the operation and timing of traffic signals to ensure safe and efficient operation, reviews construction documents for streets and transportation projects, manages the City's pavement condition index, and manages the completion of annual pavement resurfacing projects.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
2018-2019 Accomplishments							
1. Completed the annual street resurfacing and ADA ramp/sidewalk replacement projects.			X	X	X		X
2. Completed construction of Marylinn Drive Sanitary Sewer Rehabilitation Project.	X	X					X
3. Completed design for Sports Center Skate Park and Snack Shack/Restroom building replacement.						X	
4. Initiated design of the replacement to Fire Station No. 2.	X						X
5. Assisted the MUSD in the completion of the new Mabel Mattos Elementary School.				X	X	X	
2019-2020 Goals							
1. Initiate bidding and construction of Sports Center Skate Park and Snack Shack/ Restroom building replacement.						X	
2. Complete design and proceeding to the bidding phase for the replacement of Fire Station No. 2.	X						X
3. Complete Building Assessment projects for Fire Station No. 1, Police/Public Works Buildings.	X						X
4. Complete design and bidding phases for Creighton Park and new Carlo Park rehabilitation projects.						X	
5. Complete construction of FY19/20 street resurfacing and ADA ramp/sidewalk projects within specified budget and schedule.			X	X	X		X

Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
State mandated solid waste diversion goals achieved	100%	100%	100%	100%
Mandated FEMA / CRS goals achieved	100%	100%	100%	100%
State mandated storm water permit goals achieved	100%	100%	100%	100%
CIP projects completed on schedule / budget (no additional time/budget requested)	100%	100%	90% *	100%
Activity and Workload Data	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Value of construction contracts awarded	\$6.3M	\$29M	\$10M	\$30M
Construction contracts Awarded	5	10	9	10
CIP & Private Development Projects Completed	8	7	23	28
Professional services contracts awarded	N/A	N/A	15	11
Grant opportunities applied for	10	8	6	6
Encroachment permits reviewed and approved	136	225	152	150

* - One project not completed on schedule / budget

Permanent Personnel Allotment of 25 FTE

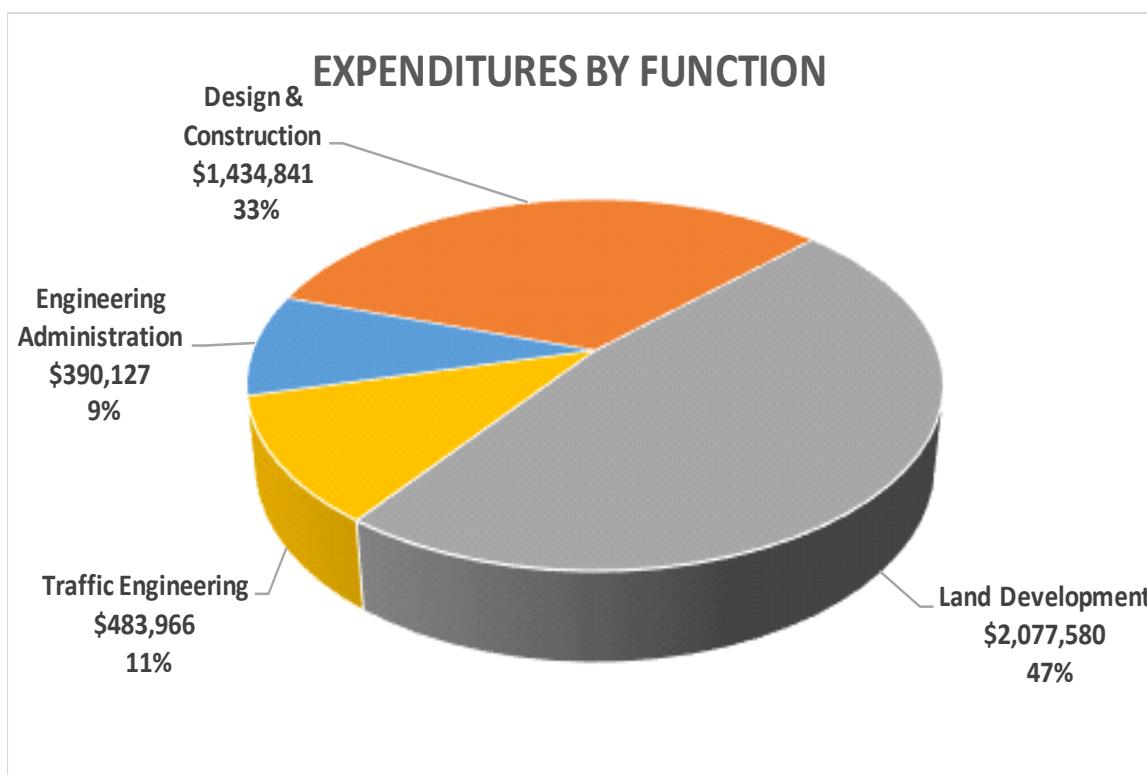
Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	
Director of Engineering/City Engineer	1	0	0	1	Engineering Aide	2	0	0	2	
CIP Manager	1	0	0	1	GIS Technician	0	0	1	1	
Transportation and Traffic Mgr	1	0	0	1	Public Works Inspector	2	0	0	2	
Principal Civil Engineer	1	0	0	1	Senior Public Works Inspector	1	0	0	1	
Associate Civil Engineer	8	0	0	8	Executive Assistant	1	0	0	1	
Assistant Civil Engineer	3	0	0	3	Administrative Analyst II *	2	-1	0	1	
Jr/Assistant Civil Engineer	0	0	2	2						
					TOTAL		23	-1	3	25

Total temporary FTE: 1.5

* One (1) FTE moved to Public Works with the transfer of Solid Waste Services/Compliance program and storm water annual reporting.

Expenditure Analysis

Personnel Services	Increase due to negotiated union Salary and benefit increases and increases in PERS contribution rates, as well as 3 new positions listed in the table above.
Services and Supplies	Reduction of contractual services due to transfer of Solid Waste Services/Compliance program and storm water annual reporting to Public Works.
Capital Outlay	None



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	1,309,099	1,147,525	2,782,224	1,694,819
4112 Temporary Salaries	71,303	69,370	179,718	126,286
4113 Overtime	35,929	7,081	22,000	22,000
4124 Leave Cashout	376,285	35,045	0	0
4125 Accrued Leave	(182,132)	0	0	0
4131 PERS	399,040	391,732	1,064,713	1,227,566
4132 Group Insurance	270,873	196,306	539,423	542,970
4133 Medicare	23,352	18,153	42,388	44,487
4135 Worker's Compensation	18,053	15,285	19,215	16,845
4138 Deferred Comp-Employer	15,220	14,506	20,700	21,750
4139 PARS	835	899	1,095	324
4143 Charged to CIPs	0	0	(1,102,107)	0
4146 Short Term Disability	0	0	0	4,930
4161 Retiree Medical Reserve	154,579	115,780	140,640	150,315
sub-total	2,492,434	2,011,682	3,710,009	3,852,292
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	150,223	123,825	100,500	0
4211 Equip Replacement Amortization	32,058	27,810	23,594	25,422
4220 Supplies	16,132	9,463	16,150	15,000
4230 Services	3,251,818	1,733,341	727,550	480,500
4501 Memberships and Dues	9,874	59	1,450	3,300
4503 Training	3,132	1,231	4,800	10,000
sub-total	3,463,237	1,895,730	874,044	534,222
CAPITAL OUTLAY				
4800 Capital Improvements	(1,076,903)	(753,639)	0	0
sub-total	(1,076,903)	(753,639)	0	0
TOTAL	4,878,768	3,153,773	4,584,053	4,386,514

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Mission Statement

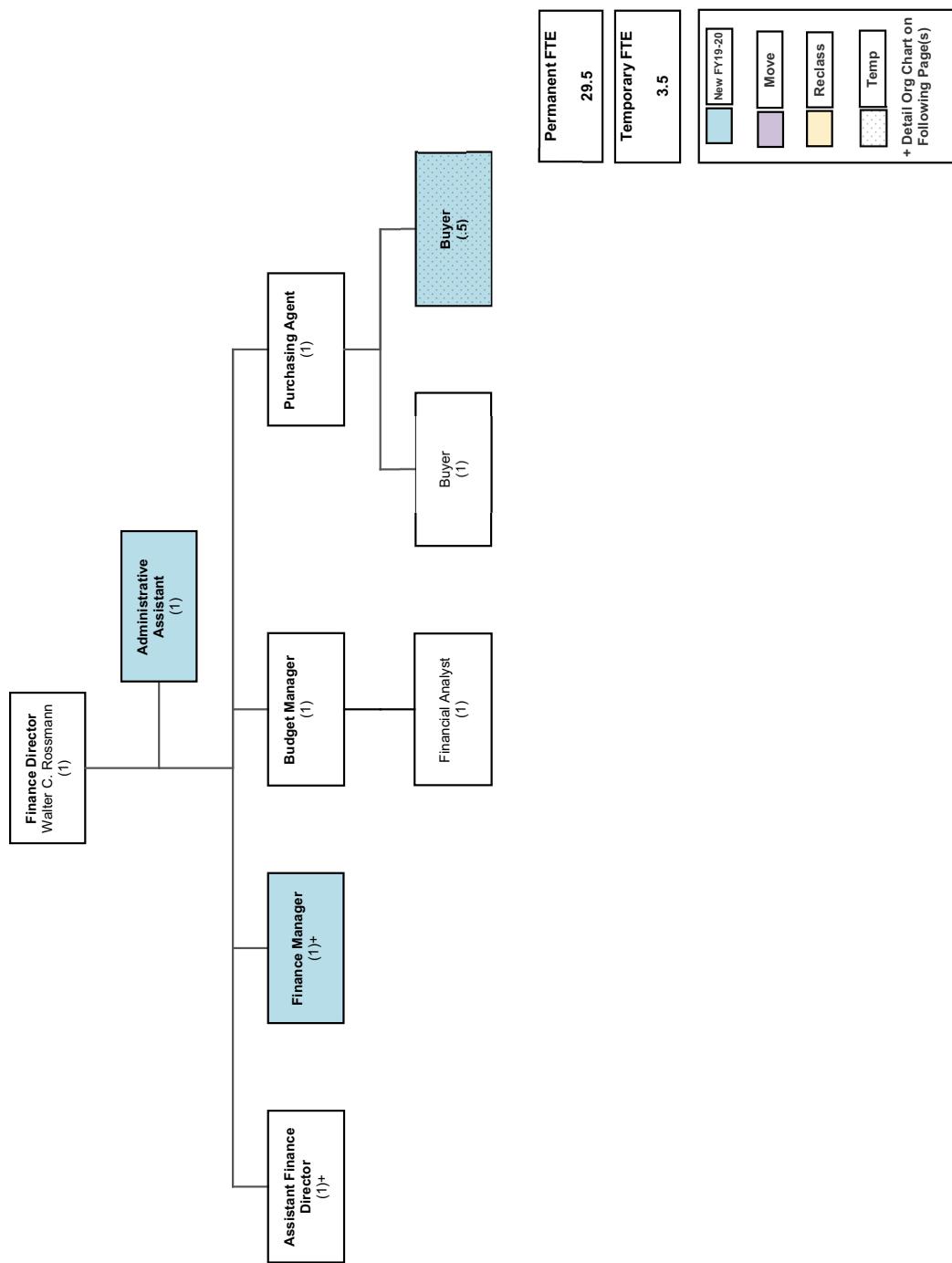
The Finance Department is dedicated to providing accurate, credible and timely financial information to support sound fiscal management and professional customer service to Milpitas residents, the business community, the City Council, and internal staff.

Divisions

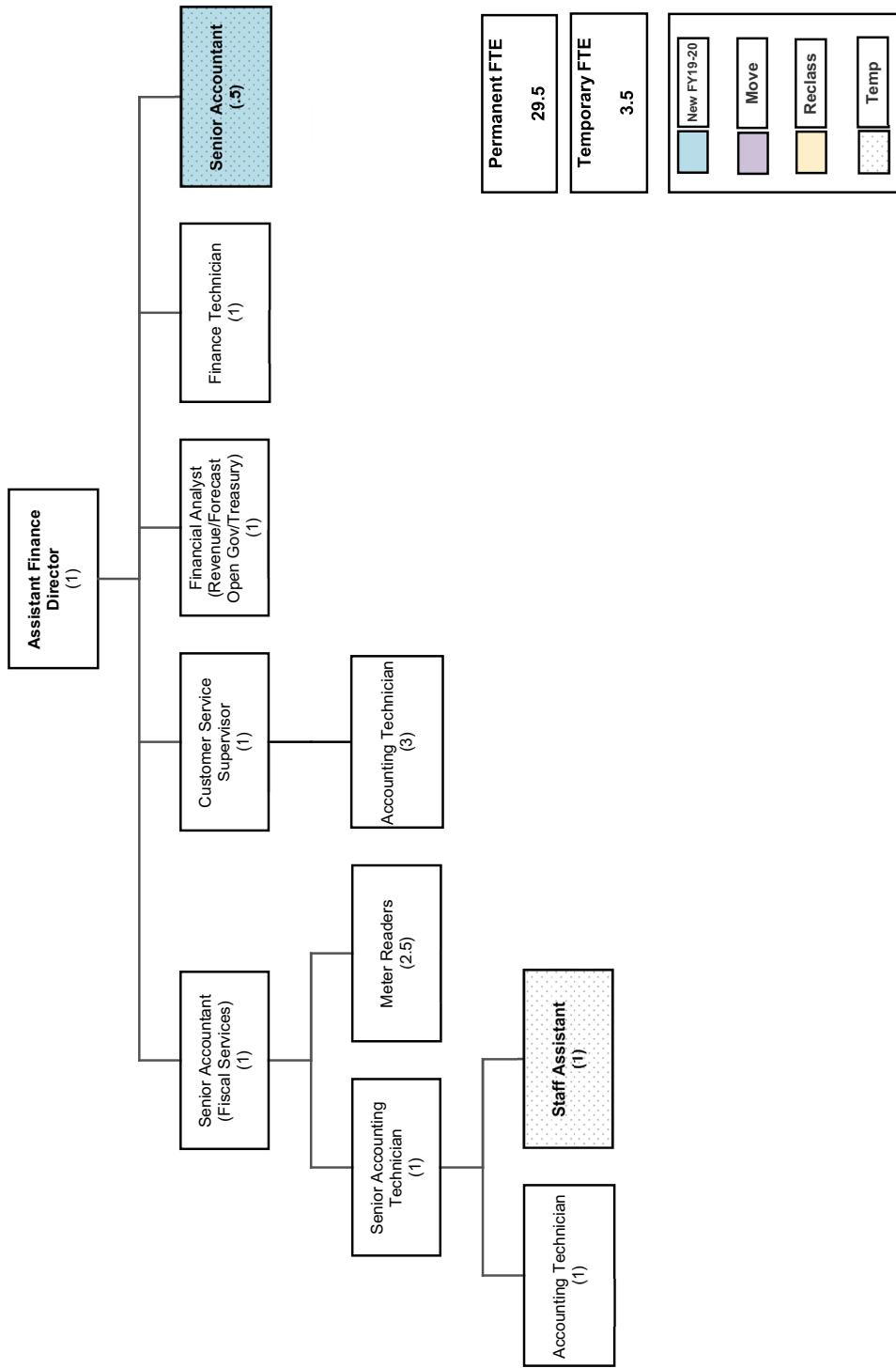
Administration
Operations



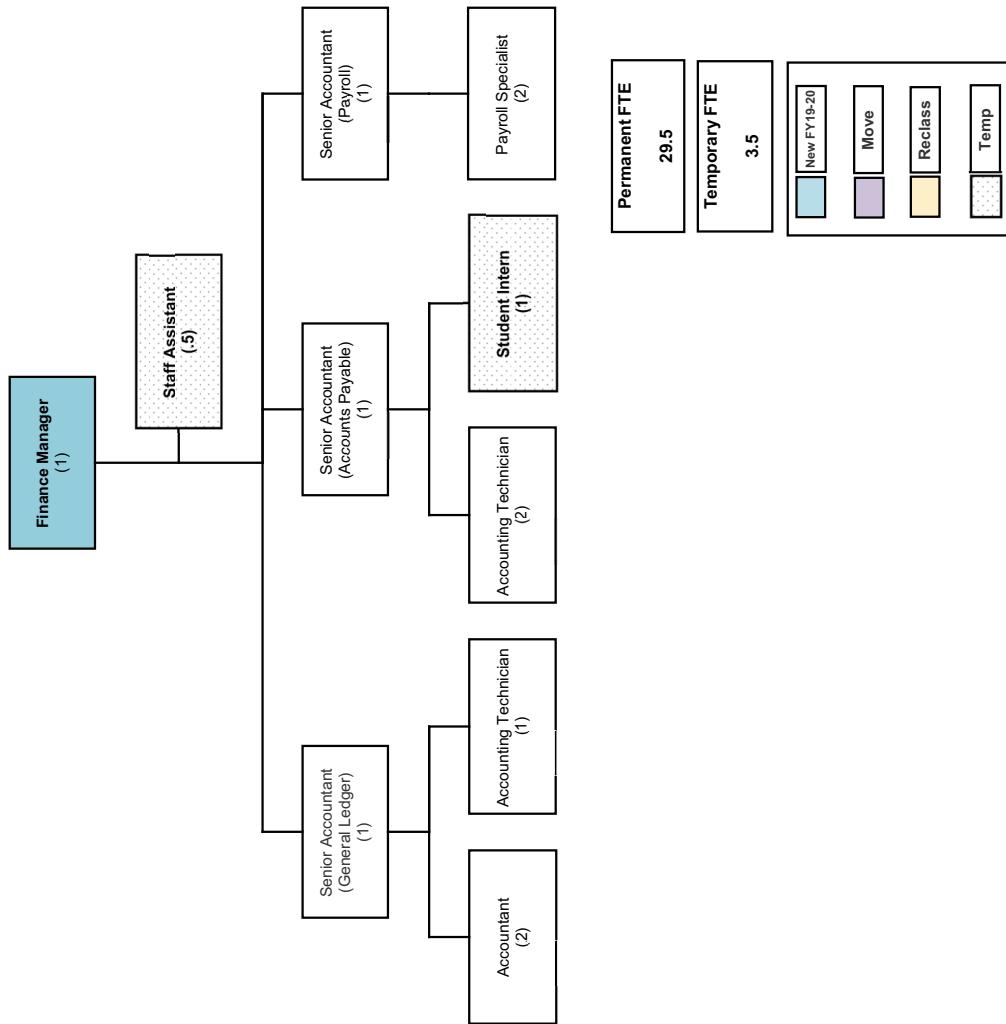
Finance Department



Finance Department



Finance Department



DEPARTMENT: Finance

FINANCE DIRECTOR: Walter C. Rossmann

Description: Finance provides a key service role to all departments, the City Council, and the public and manages the City's financial operations in accordance with industry standards and established fiscal policies. Prudent fiscal stewardship, customer service, compliance, strategic planning, transparency and effective financial reporting are key elements of its mission. The department is organized into two divisions, Administration and Operations; each provides essential customer services and support to City departments, the City Council, and the public.

Services

- Acts as an adviser to the City Manager, City Council and Departments in the areas of financial planning and fiscal analysis. Provides leadership in the development and implementation of sound financial policies for the City.
- Coordinates the preparation of the Annual Operating Budget that includes projection of revenues and expenditures, organizing and publication of the adopted budget document.
- Prepares the Annual Financial Report in accordance with Generally Accepted Accounting Principles and pronouncements of the Governmental Accounting Standards Board (GASB).
- Prepares and maintains accurate financial records including grants, capital projects, enterprise funds, governmental funds, and fixed assets. Files required grant reports.
- Provides operating departments with timely and clear financial performance reports to assist them in their daily decision making. Maintaining a transparent web portal for financial reporting is also a key objective.
- Monitors all the capital projects that have external funding sources to ensure collection.
- Collects and records all City revenues including property tax, sales tax, various service fees, utility payments, business licenses, franchise fees and transient occupancy taxes, among others.
- Provides customer service to the City's utility customers, including billing, new account setups, inquiries and meter readings.
- Provides a full range of procurement services to purchase goods and services at competitive prices and to ensure compliance with Federal and State laws and City ordinances.
- Invests the City's idle cash to ensure that there is sufficient cash flow to meet operating needs while maintaining safety, liquidity and competitive returns on the investment portfolio.
- Manages the City's and Successor Agency's outstanding bonds by ensuring timely payments, performance of arbitrage calculations and filing of required continual disclosure reports.
- Manages all the tort claims against the City and represents the City in the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA).
- Processes all the payments for goods and services timely and accurately.
- Issues payroll checks and benefits payments bi-weekly. Files all the required Federal and State payroll tax withholding reports.
- Provides internal mail service by processing outgoing mail and distributing incoming mail citywide.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
2018-2019 Accomplishments							
1. Work with City Council and stakeholders to achieve long-term fiscal sustainability.							X
2. Implement contract management software for procurement tracking, routing, and approval.	X	X	X	X	X	X	X
3. Review and update finance related SOPs (Standard Operating Procedures).							X
4. Continue Automated Water Meter replacement project to provide real time consumption amounts to consumers.							X
5. Provide accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.							X
6. Improve transparency and Citywide decision making capabilities by implementing enhanced internal and external financial reporting.	X	X	X	X	X	X	X
7. Fully implement an electronic timecard system.							X
8. Work collaboratively with all City departments to assess needs for either current or new Enterprise Resource Planning (ERP) system.							X
9. Continue and further enhance a participative budget process involving key internal and external stakeholders.							X
2019-2020 Goals							
1. Update business license tax to be comparable to nearby jurisdictions.					X		X
2. Implement new budget software.							X
3. Review and update finance related standard operating procedures (SOPs) (from 18-19 goals).							X
4. Improve transparency and Citywide decision making capabilities by implementing enhanced internal and external financial reporting (from 18-19 goals).							X
5. Implement and train staff on ProcureNow, the new contract management software for procurement and contract tracking, routing, and approval.	X	X	X	X	X	X	X
6. Update the Purchasing Card Manual.							X
7. Update the Purchasing Ordinance and develop a purchasing manual.							X

Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
Consecutive years receiving award for Distinguished Budget Presentation	17	18	18	19
Consecutive years receiving award for Excellence in Financial Reporting	24	25	25	26
Tort Claims Resolved within 180 Days	96%	95%	96%	96%
Average number of days from approved invoice received to check issuance	5	5	5	5
Customers rating service as good or excellent *	N/A	N/A	N/A	70%
Activity and Workload	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Number of Contracts Processed	234	N/A	260	285
Number of Vendor Invoices Paid	19,570	N/A	22,050	23,000
Number of Utility Bills Issued	91,931	N/A	91,513	92,000
Number of Regulatory Reports Submitted to Appropriate Agencies	74	N/A	74	74
Number of Payroll Checks Paid	12,503	N/A	12,878	13,264

* - 2019 Customer Service Survey

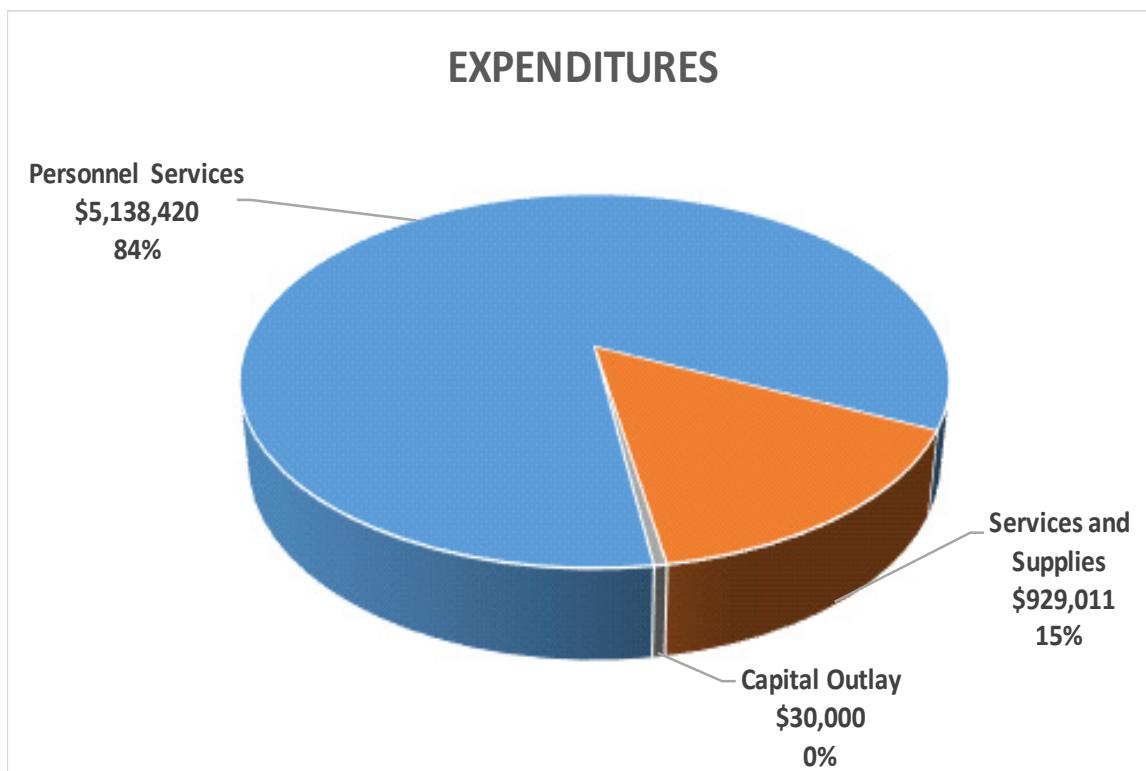
Permanent Personnel Allotment of 29.5 FTE

Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20
Finance Director	1	0	0	1	Senior Accountant	4	0	0	4
Assistant Finance Director	1	0	0	1	Customer Services Supervisor	1	0	0	1
Budget Manager	1	0	0	1	Accountant	2	0	0	2
Financial Analyst I/II	2	0	0	2	Sr. Accounting Technician	1	0	0	1
Finance Technician	1	0	0	1	Payroll Specialist	2	0	0	2
Purchasing Agent	1	0	0	1	Accounting Technician I/II	7	0	0	7
Buyer	1	0	0	1	Water Meter Reader II	2.5	0	0	2.5
Finance Manager	0	0	1	1	Administrative Assistant	0	0	1	1
TOTAL					TOTAL	27.5	0	2	29.5

Total temporary FTE: 3.5

Expenditure Analysis

Personnel Services	Increase in personnel services due to negotiated salary and benefit increases including PERS contribution rates, 2 new positions (1 Finance Mgr estimated start Oct '19 & 1 Admin Asst estimated start Oct '19) \$257K, temp positions increases \$74K for Buyer and Special Projects Associate.
Services and Supplies	Increase in contractual services (update of SOP's - one-time cost, portfolio manager) \$300K.
Capital Outlay	None



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	1,793,059	2,083,816	2,675,692	2,881,277
4112 Temporary Salaries	123,689	218,534	89,600	163,144
4113 Overtime	3,955	2,948	15,000	15,000
4121 Allowances	3,000	4,173	0	0
4124 Leave Cashout	49,654	47,428	0	0
4125 Accrued Leave	(636)	3,667	0	0
4131 PERS	535,554	697,311	988,776	1,218,842
4132 Group Insurance	371,001	406,745	618,084	625,350
4133 Medicare	28,618	34,192	38,382	44,880
4135 Worker's Compensation	14,151	14,529	15,788	16,162
4138 Deferred Comp-Employer	16,798	18,348	22,500	23,850
4139 PARS	1,404	1,758	0	1,381
4146 Short Term Disability	0	0	0	6,018
4161 Retiree Medical Reserve	104,421	115,723	130,032	142,516
sub-total	3,044,668	3,649,172	4,593,854	5,138,420
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	3,050	23,619	15,769	19,166
4220 Supplies	71,653	77,706	122,850	121,000
4230 Services	422,275	590,663	377,110	754,080
4501 Memberships and Dues	1,497	1,859	2,150	2,230
4503 Training	7,693	14,216	26,435	32,535
sub-total	506,167	708,062	544,314	929,011
CAPITAL OUTLAY				
4870 Machinery & Equipment	0	111,032	0	0
4920 Machinery Tools & Equipment	1,668	411	0	0
4930 Hydrants & Meters	15,165	0	30,000	30,000
sub-total	16,832	111,442	30,000	30,000
TOTAL	3,567,667	4,468,676	5,168,168	6,097,431

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Mission Statement

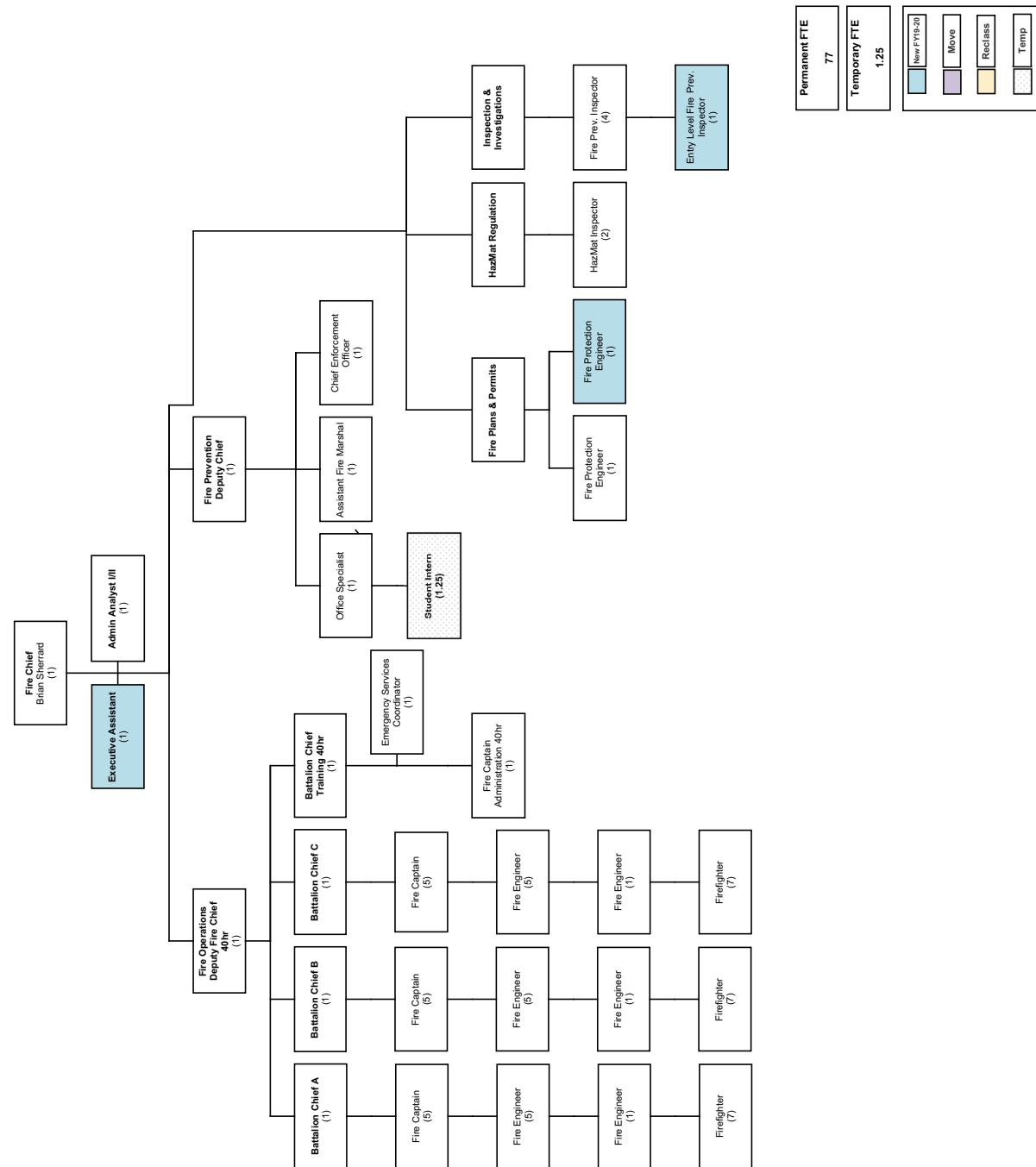
The Milpitas Fire Department is driven by the vision to provide outstanding service to the community through the core values of our mission statement. "The preservation of life, property, and the environment within the community is the reason for our existence".

The core elements of this budget document support growth within the organization to ensure mission, succession planning for organizational stability, and the ability to be flexible with emergency response in the community.

Divisions

Administration
Operations Division
Training, Emergency Medical Services, and Office of Emergency Services (OES) Division
Fire Prevention Division





DEPARTMENT: Fire

FIRE CHIEF: Brian Sherrard

Description: The Milpitas Fire Department is committed to providing comprehensive emergency response, fire protection, emergency medical services, disaster preparedness, community education, risk reduction, and other related services in an efficient, effective, and caring manner to the Milpitas community. The Fire Department is organized into four divisions as follows.

Services

- Fire Department Administration: Directs the department in field operations, budget and fiscal policy, administrative systems and procedures, employee training and development, and labor and management issues. Fire Administration is tasked with strategic planning for the implementation of fire service best practices and ensuring response readiness for the community.
- Fire Department Operations Division: Responds to emergency incidents involving fires, medical emergencies, vehicle accidents, specialized rescues, hazardous material releases, and other risks affecting the health and welfare of the community. Personnel staff six apparatus at four stations strategically located for quick response throughout the City. Specialized actions within the division include patient transport rescue ambulance, urban search and rescue, hazardous materials response, high density housing response, and specialized response to the transit area. The Operations Division is focused on emergency response.
- Fire Department Training, Emergency Medical Services, and Safety Division: Directs firefighter training and succession planning. Operates drill grounds and training curricula to ensure readiness for all-risk response. Oversees compliance with paramedic and emergency medical technician licenses and certifications, State and local reporting and quality assurance requirements, and cooperative contracts with the ambulance service provider. Ensures the readiness of the patient transport rescue ambulance. Provides safety programs to reduce the firefighter injury rate and risks.
- The Office of Emergency Services implements disaster preparedness and response programs, outreach and education, and regional collaboration planning. Ensures citywide disaster readiness by performing Emergency Operations Center training and maintenance, community volunteer training, and care-and-shelter cache maintenance. Provides risk reduction efforts for the community by coordinating with allied agencies and non-governmental organizations.
- Fire Prevention Division: The Fire Prevention Division plans, organizes and implements all Fire Department prevention and inspection programs, including fire and arson investigations, vegetation management, hazard abatement, code enforcement, public fire safety education, plan checking, and evaluation and development of codes and ordinances. Provides fire cause and origin investigations. Conducts inspections related to fire code compliance for new construction and high-risk occupancies.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
2018-19 Accomplishments							
1. Maintain response time of less than 5 min, 90% of the time.	X	X	X	X	X	X	
2. Maintain service delivery to meet all major project and construction schedules.	X	X	X	X	X	X	X
3. Achieve target turn around times of plan reviews/inspections at a rate of 98% or higher.	X			X	X		X
4. Develop training program for City emergency staff, and increase drill frequency.	X		X	X	X	X	
5. Respond to 100% of public education requests.	X				X	X	X
2019-2020 Goals							
1. Maintain total response time less than 7:30 min, 90% of the time.	X	X	X	X	X	X	
2. Achieve target turn around times of plan reviews/inspections at a rate of 98% or higher.	X		X	X	X		X
3. Enhance the training program for City EOC Staff and increase drill frequency.	X		X	X	X	X	
4. Develop and implement ambulance service delivery model.	X					X	X
5. Respond to 100% of public education requests.	X				X	X	X

Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 19-20 Estimate	FY 19-20 Target
Total response time to emergency calls (minutes) *	7:14	7:30	7:15	7:30
State mandated fire occupancy inspections completed annually	1,024	100%	1,138	100%
Average time for assembling a complete effective response on all structure fires (minutes)	9:26	8:00	10:00	8:00
Activity and Workload Data	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Fire service calls	5,384	5,500	5,500	5,900
Training Hours / Certifications to serve in hiring rank	13,710 / 20	14,000 / 20	14,000 / 20	14,000 / 20
Residents engaged by Office of Emergency Services (OES) in Map Your Neighborhood	600	1,000	800	1,000
Total Engine Company Inspections	2,026	100%	2,011	100%
Total Plan Review / Inspections	1,700 / 7,577	100%	1,750 / 7,606	100%
Public Education Events	199	200	200	225

* - From time of 911 call received to arrival of first fire resources

Permanent Personnel Allotment of 77 FTE

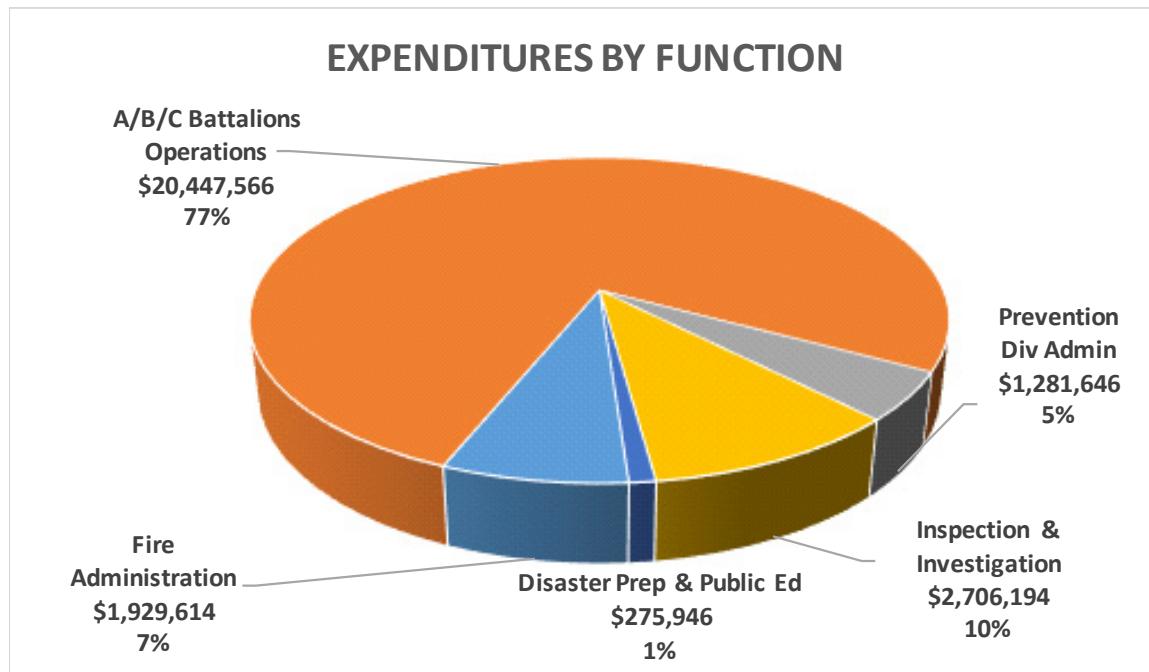
Position	FY19	FY19 Midyr Add	Adopted Add	FY20	Position	FY19	FY19 Midyr Add	Adopted Add	FY20
Fire Chief	1	0	0	1	Assistant Fire Marshall	1	0	0	1
Deputy Fire Chief	2	0	0	2	Chief Fire Enforcement Officer	1	0	0	1
Fire Battalion Chief - 40 hr	0	1	0	1	Hazardous Materials Inspector	2	0	0	2
Fire Battalion Chief	3	0	0	3	Fire Prevention Inspector	3	1	0	4
Fire Captain-40 hr	1	0	0	1	Fire Protection Engineer	1	0	1	2
Fire Captain	15	0	0	15	Entry Level Fire Prevention Inspector	0	0	1	1
Fire Engineer	4	2	0	6	Emergency Svcs Coordinator	1	0	0	1
Fire Engineer-Paramedic	11	1	0	12	Office Specialist	1	0	0	1
Firefighter	14	0	0	14	Administrative Analyst II	1	0	0	1
Firefighter/Paramedic	7	0	0	7	Executive Assistant	0	0	1	1
					Total	69	5	3	77

Total temporary FTE: 1.25

* 6 new firefighter/paramedic trainees will be added depending on timing of SAFER grant approval

Expenditure Analysis

Personnel Services	Increase in personnel services due to negotiated salary and benefit increases including PERS contribution rates. 7 new positions (5 during FY 18-19 midyear and 2 for FY 19-20 proposed budget (1 Executive Assistant estimated start Jul '19, 1 Entry Level Fire Inspector estimated start Oct '19) \$2,087K, 1 Fire Protection Engineer \$276K. Increase in Overtime \$630K to staff ambulance and extra truck.
Services and Supplies	Equipment replacement \$207K. Contractual services for employee medical evaluation/fire station alerting/defib & CPR devices \$155K. Department supplies \$63K, training & registration \$70K (Firefighter 1 Academy \$40K, truck operations training \$21K). Software costs (GIS, etc.) \$110K.
Capital Outlay	Softwares on Image Trend and Rescue Bridge and Interra GIS.



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	8,897,231	9,577,720	10,176,573	12,210,216
4112 Temporary Salaries	43,861	42,226	33,981	36,071
4113 Overtime	1,535,641	1,400,472	1,220,000	1,849,512
4114 Overtime Reimbursement	0	697,112	0	0
4121 Allowances	58,558	60,960	65,736	73,455
4124 Leave Cashout	286,302	646,543	0	0
4131 PERS	3,471,921	4,003,095	4,639,493	6,124,668
4132 Group Insurance	1,428,023	1,560,956	1,559,424	1,663,647
4133 Medicare	149,816	170,253	149,138	179,079
4135 Worker's Compensation	322,377	320,615	321,733	550,377
4138 Deferred Comp-Employer	38,860	42,925	44,700	50,175
4139 PARS	186	266	0	939
4146 Short Term Disability	0	0	0	15,657
4161 Retiree Medical Reserve	415,384	470,324	472,971	568,505
sub-total	16,648,158	18,993,466	18,683,749	23,322,301
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	1,135,608	1,341,081	1,458,989	1,660,850
4220 Supplies	461,144	461,793	698,200	776,340
4230 Services	116,539	154,313	302,900	457,800
4501 Memberships and Dues	15,235	15,568	36,025	39,975
4503 Training	55,456	49,567	200,400	273,700
sub-total	1,783,982	2,022,321	2,696,514	3,208,665
CAPITAL OUTLAY				
4850 Vehicles	0	11,835	120,082	0
4870 Machinery & Equipment	23,190	25,068	0	110,000
4920 Machinery Tools & Equipment	12,290	7	10,000	0
sub-total	35,480	36,910	130,082	110,000
TOTAL	18,467,620	21,052,696	21,510,345	26,640,966

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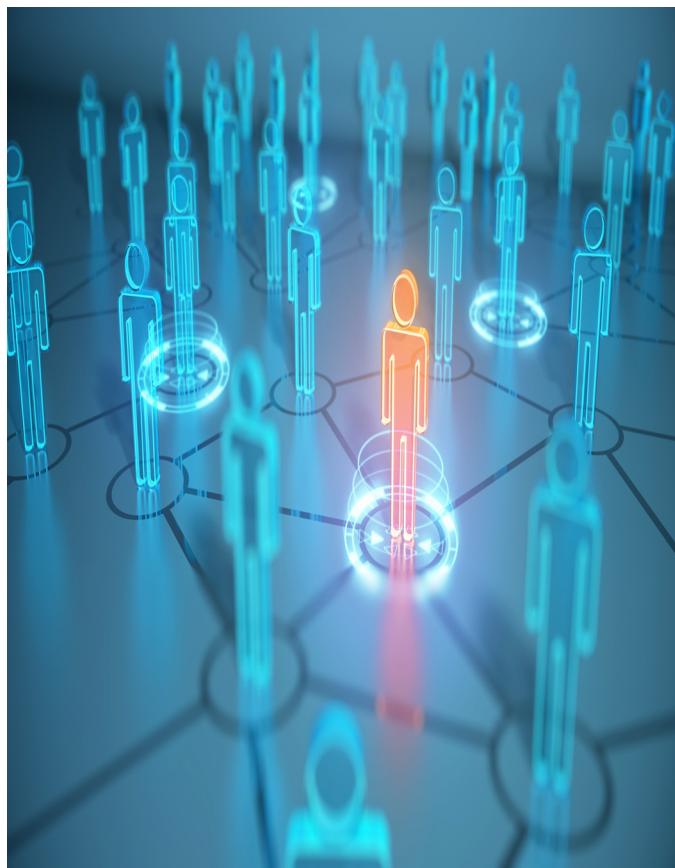
Mission Statement

The Human Resources Department is committed to:

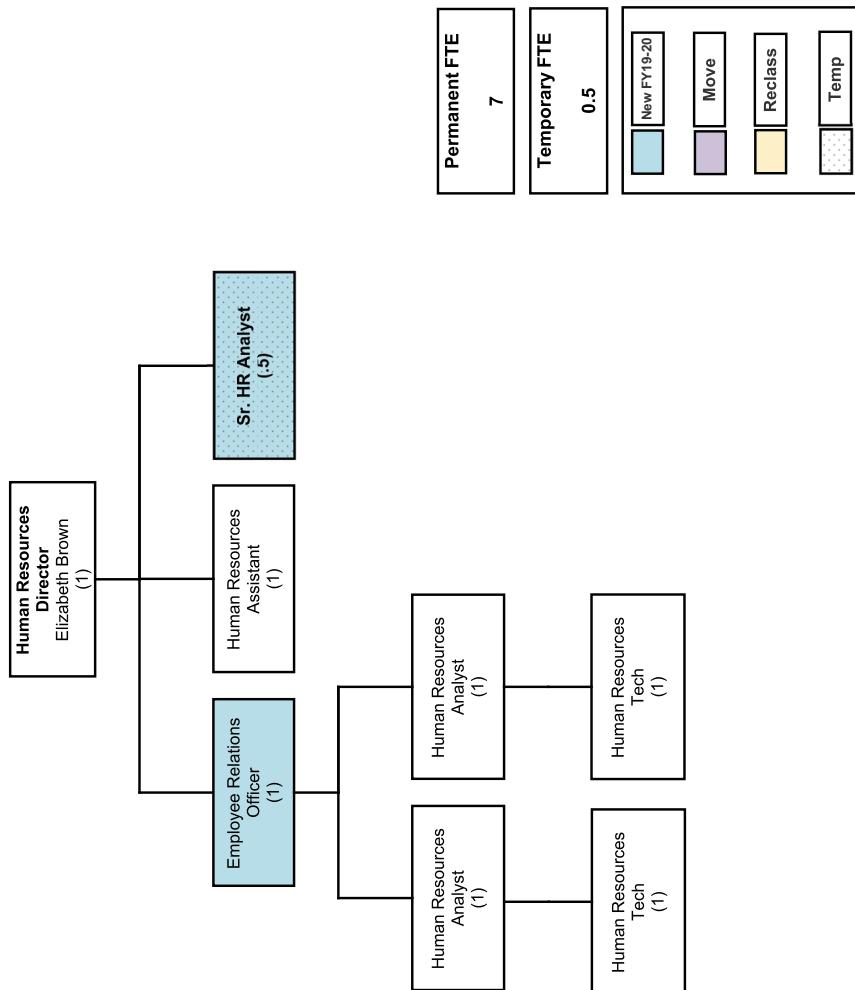
Providing excellent service to all customers; an inclusive work environment which reflects and supports the diversity of our community and our workforce; treating all individuals with fairness, dignity, and respect; continuous improvement in personal, professional, and leadership development; promoting a balance between work and family; and maintaining a friendly work environment.

Department

Human Resources



Human Resources Department



DEPARTMENT: Human Resources

HR DIRECTOR: Liz Brown

Description: The Human Resources (HR) Department is a centralized full-service department that provides Citywide services related to: recruitment, benefits administration, a self-funded workers' compensation program, labor negotiations, administration of memorandum of understanding with the various employee groups, employee relations, the safety program, compliance with State and Federal employment laws, training and maintenance of personnel systems and files.

Services

- Recruitment - The HR Department is committed to finding high quality candidates in a timely manner. The HR Department takes an aggressive approach in identifying and recruiting the most qualified candidates for City positions.
- Benefits Administration - The HR Department provides benefits administration to approximately 350 active employees with an excellent benefit package that includes medical coverage through CalPERS Health. Additional benefits include Dental, Vision, Life Insurance, Long Term Disability, Short Term Disability, Deferred Compensation (457 Plan), and the Employee Assistance Program (EAP).
- Workers' Compensation - The City is self-insured for workers' compensation contracted through a Third Party Administrator (TPA). Staff works closely with our TPA to ensure that all injured employees receive proper care for their work-related injuries.
- Labor Relations - The HR Department negotiates on behalf of the City and oversees six separate bargaining units by administering, implementing and interpreting labor contracts and assisting in the resolution of grievances.
- Employee Relations and Customer Service - The HR Department treats all applicants, employees, retirees, and residents with dignity and respect. We strive to ensure equal employment opportunities and a workplace free of discrimination and harassment. We encourage positive employer-employee relations and maintain a high level of service to those we serve.
- Training - The HR Department coordinates Citywide training on topics such as customer service, employee safety, benefits, harassment prevention, ergonomics, and leadership to provide professional and personal development opportunities for employees.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
2018-2019 Accomplishments							
1. Negotiated a Successor IAFF Memorandum of Understanding	X						X
2. Conducted 96 recruitments	X						X
3. Hired and Promoted 84 New Employees; 127 Seasonal Employees; Created 13 Job Classifications	X						X
4. Updated Unrepresented Employee Handbook							X
5. Updated Harassment Prevention and Training Standard Operating Procedures 001							X
6. Trained City employees on harassment prevention per the CA laws effective January 1,2019							X
7. Hosted 13 employee special events							X
8. Implemented a new Employee Service Award Celebration that includes awards for years of service							X
2019-2020 Goals							
1. Update Personnel Rules and Regulations	X						X
2. Negotiate Successor MOU with Professional and Technical Group and Mid Management/Confidential Unit							X
3. Implement new Automated Applicant Tracking System; Onboarding; Performance Evaluation & Training; Position control and Electronic Forms through NeoGov							X
4. Update Human Resources related Standard Operating Procedures to bring into current compliance							X
5. Create a city wide Professional Development/Leadership and Specific Training Opportunities program							X
6. Create and implement a standardized New Hire Orientation and Welcome program							X
7. Continue to maintain and implement State and Federal mandated training's including Harassment Prevention							X
8. Continue to host City employee recognition events, offering networking opportunities for employees	X						X
9. Update the Department of Transportation Drug Testing Training and Policy in conjunction with Public Works							X

Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
Average time to fill a vacancy (in days)	91.5	75	78.9	70
Percentage of recruitments completed within established timelines	43%	58%	61%	75%
Employees that would recommend that a friend of family member work for the City of Milpitas *	N/A	N/A	76%	80%
Employees feel respected by their coworkers *	N/A	N/A	87%	92%
Employees feel respected by their supervisors *	N/A	N/A	79.7%	84%
Activity and Workload Data	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Number of positions filled	46	75	82	85
Number of employees attended Harassment Prevention Training **	375	490	490	500
Number of workers compensation claims processed	21	27	30	25
Number of transactions processed	4,763	1,831	N/A	2,000

* - Source: City of Milpitas Employee Pulse Survey

** - Includes Full time and Part time employees

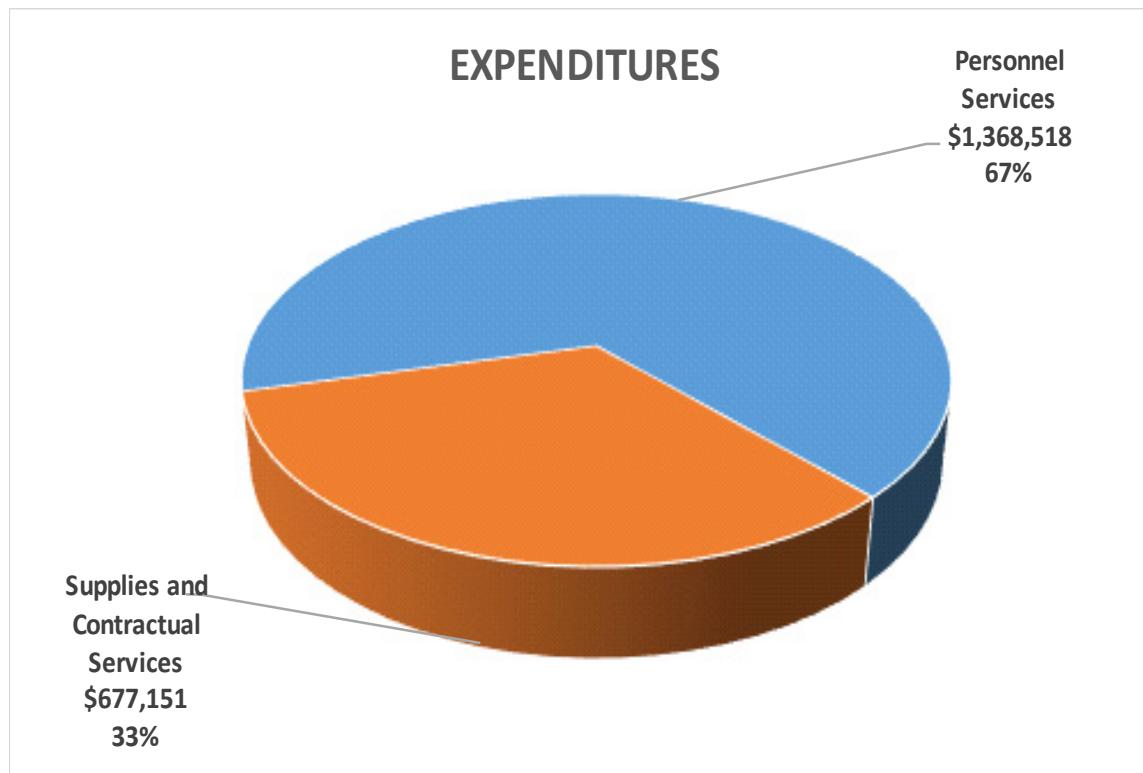
Permanent Personnel Allotment of 7 FTE

Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20
Human Resources Director	1	0	0	1	Human Resources Technician	1	1	0	2
Employee Relations Officer	0	0	1	1	Human Resources Assistant	1	0	0	1
Human Resource Analyst I/II	2	0	0	2					
				TOTAL		5	1	1	7

Total temporary FTE: 0.5

Expenditure Analysis

Personnel Services	Increase in personnel services due to negotiated salary and benefit increases in PERS contribution rates. 1 HR Tech added for FY 18-19 midyear and 1 Employee Relations Officer for FY 19-20 estimated starting in July 2019 \$348K, increase in temporary staff \$46K.
Services and Supplies	Increase in contractual services (class/comp study \$50K, WC insurance \$34K). City wide trainings/harassment \$35K.
Capital Outlay	None.



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	366,035	474,980	542,764	778,433
4112 Temporary Salaries	25,073	85,172	10,000	55,949
4113 Overtime	0	605	1,000	1,000
4124 Leave Cashout	11,759	28,931	0	0
4131 PERS	110,626	160,519	204,394	319,165
4132 Group Insurance	54,476	69,414	112,380	150,948
4133 Medicare	5,716	8,418	7,942	12,211
4135 Worker's Compensation	2,295	2,890	2,702	4,164
4138 Deferred Comp-Employer	2,750	4,019	4,500	6,300
4139 PARS	290	143	0	0
4146 Short Term Disability	0	0	0	1,428
4161 Retiree Medical Reserve	22,908	27,756	27,144	38,920
sub-total	601,928	862,847	912,826	1,368,518
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	5,636	4,388	8,500	8,500
4220 Supplies	1,600	4,864	5,500	7,000
4230 Services	497,738	429,959	500,450	587,464
4501 Memberships and Dues	16,350	4,746	2,475	8,187
4503 Training	20,403	21,421	31,000	66,000
sub-total	541,727	465,378	547,925	677,151
CAPITAL OUTLAY				
TOTAL	1,143,655	1,328,225	1,460,751	2,045,669

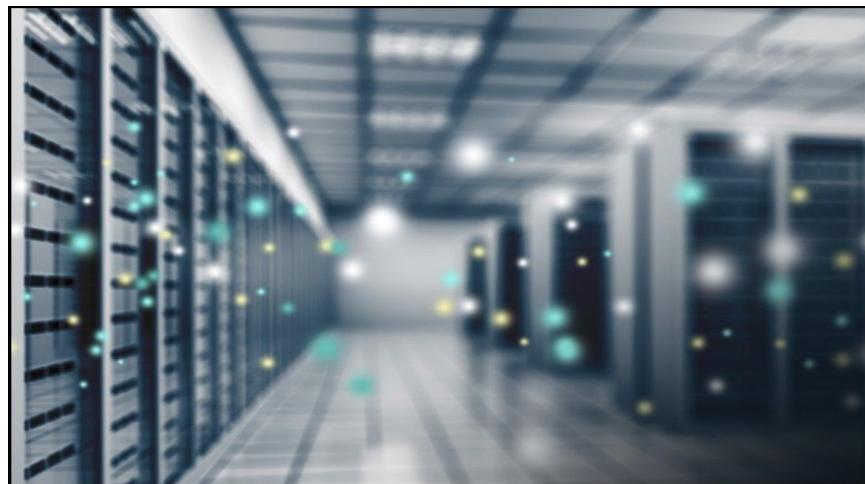
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Mission Statement

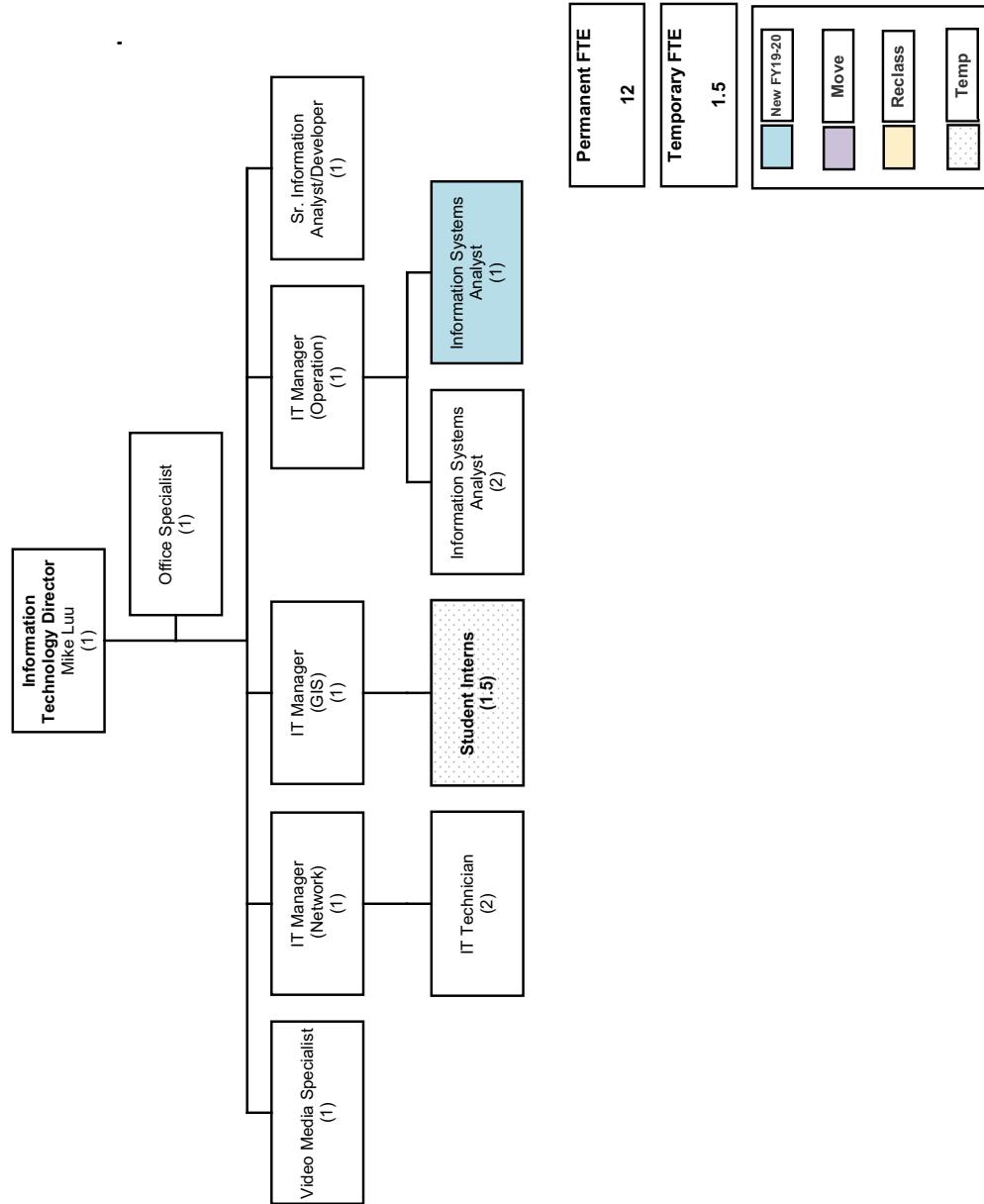
The Information Technology Department supports the operations of the City by providing high quality, reliable and cost effective services in the areas of telecommunications, data processing, desktops support, Geographic Information System (GIS) and technology projects management.

Department

Information Technology



Information Technology Department



DEPARTMENT: Information Technology

IT DIRECTOR: Mike Luu

Description: This department provides automation planning, coordination of system procurement and implementation, management of technology projects to fulfill customer-defined functional requirements, development and maintenance of the City's technical architecture and infrastructure, partnering with key product and service providers, ensuring customer satisfaction, providing automation support and training development, support of the City's web site, Cable TV channel, AM radio station and public-access TV studio, implementation and support of security access systems and all automated data systems. Additionally, Information Services is responsible for the City's public information function.

Services

- Strategic Planning – This service includes maintaining and updating the City's Telecommunications Master Plan in addition to providing the technology planning and support for each department to achieve their annual goals and objectives.
- Project Management – One of the key services provided by the Information Services Department includes project management for both large and small technology projects. These services range from small projects to large multi-year efforts.
- Development and support of the technical architecture and infrastructure. This service includes the maintenance and support of the City's telephone systems, mobile phone and data services, metropolitan-area fiber optic network, paging, radio, video, remote communications and the wired and wireless computer networks.
- Development and support of the City's website, cable TV channel and AM radio system. This service serves City staff, City residents and visitors, both locally and foreign. One of the fastest and easiest ways to evaluate a city as a potential site for starting a business is by visiting that City's website. Since first impressions are lasting impressions, this service provides an invaluable opportunity to advertise the benefits of doing business within the community.
- Implementation and operation of the City's security access and control systems. It is essential to protect City assets, especially given the times we operate and live in.

This service is used to enhance the safety of not only City staff and residents but also the City's public buildings.

- Management and support of the complex information systems. The City supports a data network of more than 90 servers, 500 computers, 80 laptops and 120 printers. It is critical to continuously maintain and upgrade these systems to ensure highest possible availability for all business users
- Development and support of the City's Geographic Information System. The GIS system supports the work of virtually all departments within the City. From the 911 emergency computer-aided dispatch system to the notification of residents regarding pending zoning actions, the GIS system is used widely to support all of the City's business functions.
- Support of the Public Information function. This service includes acting as the City's liaison for information dissemination through the City's website, cable TV channel and AM radio station. It also includes the duties and responsibilities associated with performing the role of Public Information Officer during times of emergencies.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
2018-2019 Accomplishments							
1. Completed Office 365 Deployment							X
2. Completed LAN/WAN Upgrade							X
3. Completed Migration Mailboxes to Microsoft Azure Cloud							X
4. Completed Cisco VoIP Upgrade/Replacement							X
5. Completed Telestaff (Fire Staffing) Application Upgrade	X						X
6. Assisted City Clerk's Office to implement Agenda Management System							X
2019-2020 Goals							
1. Complete Applicants Tracking Implementation	X	X	X	X	X	X	X
2. Complete Financial and Utility Billing System Upgrade				X			X
3. Complete Computer Aided Dispatch (CAD) Upgrade	X						
4. Complete IT Strategic Plan							X
5. Complete Contracts Management Deployment	X	X	X	X	X	X	X

Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
City Council meetings supported	100%	100%	100%	100%
Network Availability *	99.99%	99.99%	99.8%	99.99%
Critical Server Availability *	99.99%	99.99%	99.8%	99.99%
Website Availability *	99.99%	99.99%	99.8%	99.99%
Customer surveys received with a score of 4 or better (out of 5)	96%	95%	94%	99.5%
Activity and Workload Data	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Help Desk tickets closed	3,367	3,000	2,790	3,000
Website visitors	1,553,357	3,000,000	4,003,192	3,500,000
Security patches / updates	N/A	106,714	N/A	N/A
GIS information edit	6,533	N/A	6,645	N/A
Physical servers converted to virtual servers	46%	60%	65%	80%

* - Scheduled down time for maintenance is excluded

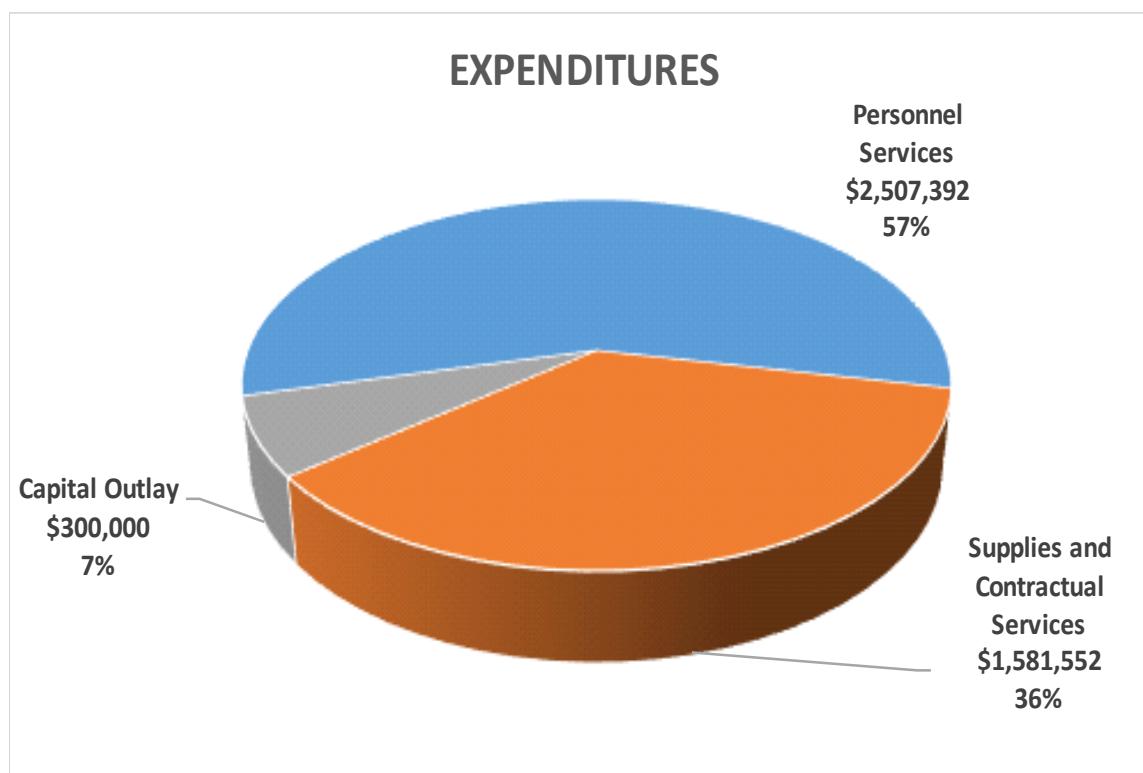
Permanent Personnel Allotment of 12 FTE

Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20
Information Technology Director	1	0	0	1	Information Technology Technician	2	0	0	2
Information Technology Manager	3	0	0	3	Video Media Specialist	1	0	0	1
Sr. Information Analyst/ Developer	1	0	0	1	Information Systems Analyst (PS)	0	0	1	1
Information Systems Analyst	2	0	0	2	Office Specialist	1	0	0	1
					TOTAL	11	0	1	12

Total temporary FTE: 1.5

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes shown in the table above.
Services and Supplies	Increase software and hardware maintenance and contractual services.
Capital Outlay	No significant changes.



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	1,067,838	1,042,719	1,348,244	1,486,498
4112 Temporary Salaries	16,998	41,740	50,000	35,000
4113 Overtime	0	221	0	0
4121 Allowances	1,500	1,500	0	0
4124 Leave Cashout	46,171	73,906	0	0
4131 PERS	316,328	348,375	507,708	609,357
4132 Group Insurance	156,717	140,259	247,236	258,768
4133 Medicare	16,457	16,866	19,686	22,272
4135 Worker's Compensation	6,115	6,489	6,730	7,594
4138 Deferred Comp-Employer	8,100	7,357	9,900	10,800
4139 PARS	259	622	0	526
4146 Short Term Disability	0	0	0	2,448
4161 Retiree Medical Reserve	57,428	61,080	67,224	74,129
sub-total	1,693,911	1,741,133	2,256,728	2,507,392
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	8,999	8,116	6,917	6,841
4220 Supplies	12,280	16,236	18,180	18,180
4230 Services	622,791	725,315	1,151,499	1,268,967
4410 Communications	185,323	201,146	269,036	229,364
4501 Memberships and Dues	404	160	2,200	2,200
4503 Training	8,514	5,851	11,500	56,000
sub-total	838,311	956,825	1,459,332	1,581,552
CAPITAL OUTLAY				
4870 Machinery & Equipment	0	20,812	0	0
4920 Machinery Tools & Equipment	247,328	303,631	173,250	300,000
sub-total	247,328	324,443	173,250	300,000
TOTAL	2,779,550	3,022,401	3,889,310	4,388,944

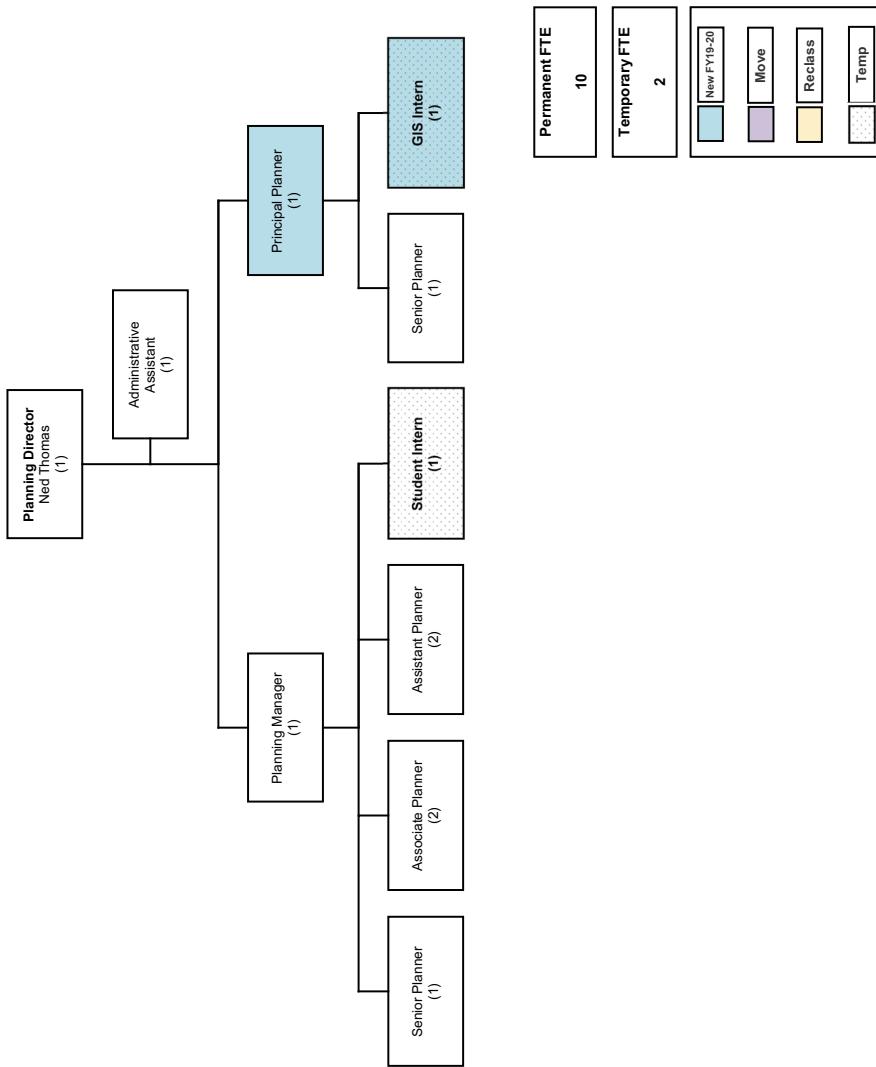
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Mission Statement**Division**

The Planning Department provides exemplary customer services and engages in community partnerships to envision and promote a vibrant, balanced, and cohesive city for today and tomorrow.

Planning



Planning Department

DEPARTMENT: Planning

PLANNING DIRECTOR: Ned Thomas

Description: The Planning Department prepares, maintains, and implements the City's General Plan, associated Specific Plans, and other planning and policy documents that guide the physical development of the community. Department staff assist residents, businesses, designers, developers, and architects to understand and follow the City's policies and regulations for development, including the General Plan, the Midtown Specific Plan, the Transit Area Specific Plan, and the Zoning Ordinance. The Department collaborates with other City departments to administer other development policies and regulations, including the California Environmental Quality Act (CEQA). The Department promotes informed decision making by facilitating community and neighborhood meetings, as needed, and providing administrative support to the Planning Commission. Department staff participate in local and regional planning groups.

Services:

- Prepares, maintains, and implements the City's General Plan and associated Specific Plans.
- Conducts research, prepares long-range planning documents, and assists other departments in preparing special-purpose long-range plans.
- Administers the City's Zoning Ordinance and collaborates with other departments to administer other development policies and regulations, including the California Environmental Quality Act (CEQA).
- Performs and coordinates review of land development applications and provides information to the public regarding land development regulations and processes.
- Assists developers in obtaining planning entitlements and coordinates the development review process from conceptual design and pre-application consultation to application submittal and formal review.
- Implements the Midtown Specific Plan and Transit Area Specific Plan and coordinates with other departments to ensure timely review of development proposals.
- Provides and updates planning permit fees, submittal requirements, checklists, design guidelines, and publications to support a streamlined permit application and development review process.
- Reviews building plans for conformance with zoning regulations and conditions of approval.
- Provides staff support to the Planning Commission and other planning-related advisory groups.
- Coordinates with the City Manager's office in working with outside agencies, regional organizations, and local businesses.
- Coordinates with outside agencies on regional planning, transportation, and environmental issues.
- Maintains City demographics and geographic-based information.
- Promotes the City of Milpitas as a vibrant community to live, work, shop, learn, and play.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
2018-2019 Accomplishments							
1. Continued 2040 General Plan Update, including the facilitation of twelve GPAC meetings	X	X	X	X	X	X	X
2. Initiated work to update the Midtown Specific Plan			X	X	X		
3. Initiated work to update the Transit Area Specific Plan, EIR, and impact fees	X		X	X	X		
4. Facilitated adoption of the Accessory Dwelling Unit Ordinance				X	X		X
5. Collaborated with the City Manager's Office to facilitate adoption of cannabis regulations	X			X			X
6. Provided Census 2020 mapping information and ongoing Census 2020 support				X	X	X	X
7. Participated in an Organizational Assessment, Service Delivery, Fee Study (Matrix), Community Development Roundtable meetings with developers.	X			X			X
8. Partnering with Recreational Services on new Healthy Cities Initiative grant regarding secondhand smoke in multi-family housing	X			X			
9. Participating in Green Stormwater Infrastructure Plan process	X						
10. Onboarded a new Planning Director, Department Administrator, Junior Planner and Senior Planner				X			X
2019-2020 Goals							
1. Complete the 2040 General Plan, Midtown Specific Plan, and ASP/EIR/Impact Fee Updates,	X	X	X	X	X	X	X
2. Initiate Zoning Ordinance Update				X			X
3. Implement recommendations from the Organizational Assessment, Service Delivery and Fee Study				X			X
4. Support work on Short Term Rental policies with Economic Development				X	X		
5. Support implementation of the Pines Parking Permit program				X		X	
6. Support work on a Gateway/Wayfinding Program				X	X		
7. Support work on the Economic Development Strategy				X			
8. Support work on the Parking & Shuttle Study				X			
9. Support work on the Bikeway & Pedestrian Master Plan		X	X				
10. Support work on the Green Stormwater Infrastructure Plan		X					
11. Support work on Census 2020 outreach and participation				X	X	X	X
12. Continue to participate in monthly Community Development Roundtable meetings				X			X
13. Provide opportunities for staff to receive professional development and cross-training							X
14. Enhance the Department's GIS resources and services						X	X

Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
Applications for new development deemed complete upon second review *	N/A	N/A	N/A	80%
Randomly selected permits found to be in compliance with adopted fees and policies **	N/A	N/A	N/A	100%
Training hours received by staff, total hours and average hours per staff member ***	N/A	N/A	N/A	190 Hours = 20 avg x 6 staffs and 35 avg x 2 mgrs
Activity and Workload Data	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Administrative (OTC) Permits Approved	283	N/A	298	300
Discretionary Permits presented to the Planning Commission	36	N/A	40	30
Building Plan Checks Completed	281	N/A	220	250
Community Meetings Facilitated	8	N/A	6	8

All Performance Measures are new to FY 19-20.

* - Source: TrakIT

** - Source: Annual 10% Audit

*** - Source: Training Calendar & Log

Source for all other data: Planning Counter Log, Department Calendar, Planning Commission Agendas

Permanent Personnel Allotment of 10 FTE

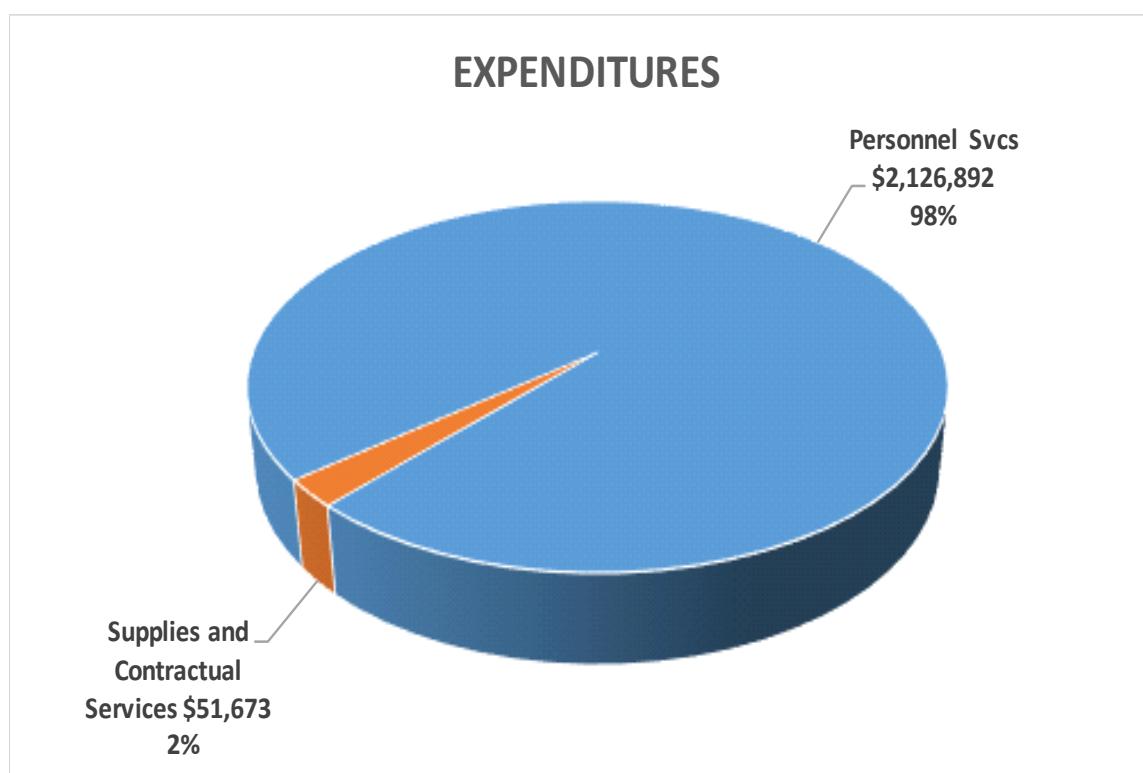
Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20
Planning Director	1	0	0	1	Principal Planner	0	0	1	1
Planning Manager	1	0	0	1	Associate Planner	2	0	0	2
Senior Planner	2	0	0	2	Junior / Assistant Planner	2	0	0	2
Housing Authority Administrator *	1	-1	0	0	Senior Code Enforcement Officer *	2	-2	0	0
Housing & NP Services Manager *	1	-1	0	0	Code Enforcement Officer *	1	-1	0	0
Assistant Housing Planner *	1	-1	0	0	Administrative Assistant	1	0	0	1
					TOTAL	15	-6	1	10

Total temporary FTE: 2

* Number of positions decreased due to the transfer of function 551 (Neighborhood Services / Housing) from Planning Department to Building Department.

Expenditure Analysis

Personnel Services	Increase in personnel services due to negotiated salary and benefit increases including PERS contribution rates. Transfer function 551 (Neighborhood Services/Housing) to the Building and Housing Department. -\$2.035M, including transfer of 6 FTE. 1 new position (Principal Planner) \$166k.
Services and Supplies	Slight increase on memberships dues, training, and travel.
Capital Outlay	None



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	622,303	898,875	1,252,031	1,277,522
4112 Temporary Salaries	19,754	1,565	17,000	38,978
4113 Overtime	615	6,659	4,000	10,000
4124 Leave Cashout	1,902	4,521	0	0
4131 PERS	187,385	272,424	438,377	489,063
4132 Group Insurance	113,882	145,150	224,760	210,249
4133 Medicare	9,336	13,148	18,282	19,241
4135 Worker's Compensation	3,790	5,696	6,242	6,573
4138 Deferred Comp-Employer	4,982	6,404	9,000	8,775
4139 PARS	307	66	0	555
4146 Short Term Disability	0	0	0	1,989
4161 Retiree Medical Reserve	34,651	56,087	62,506	63,947
sub-total	998,907	1,410,596	2,032,198	2,126,892
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	0	0	0	2,473
4220 Supplies	11,593	10,117	12,000	12,000
4230 Services	286,987	51,141	15,000	15,000
4501 Memberships and Dues	1,660	2,247	4,450	8,000
4503 Training	4,926	5,094	6,940	14,200
sub-total	305,166	68,598	38,390	51,673
TOTAL	1,304,072	1,479,194	2,070,588	2,178,565

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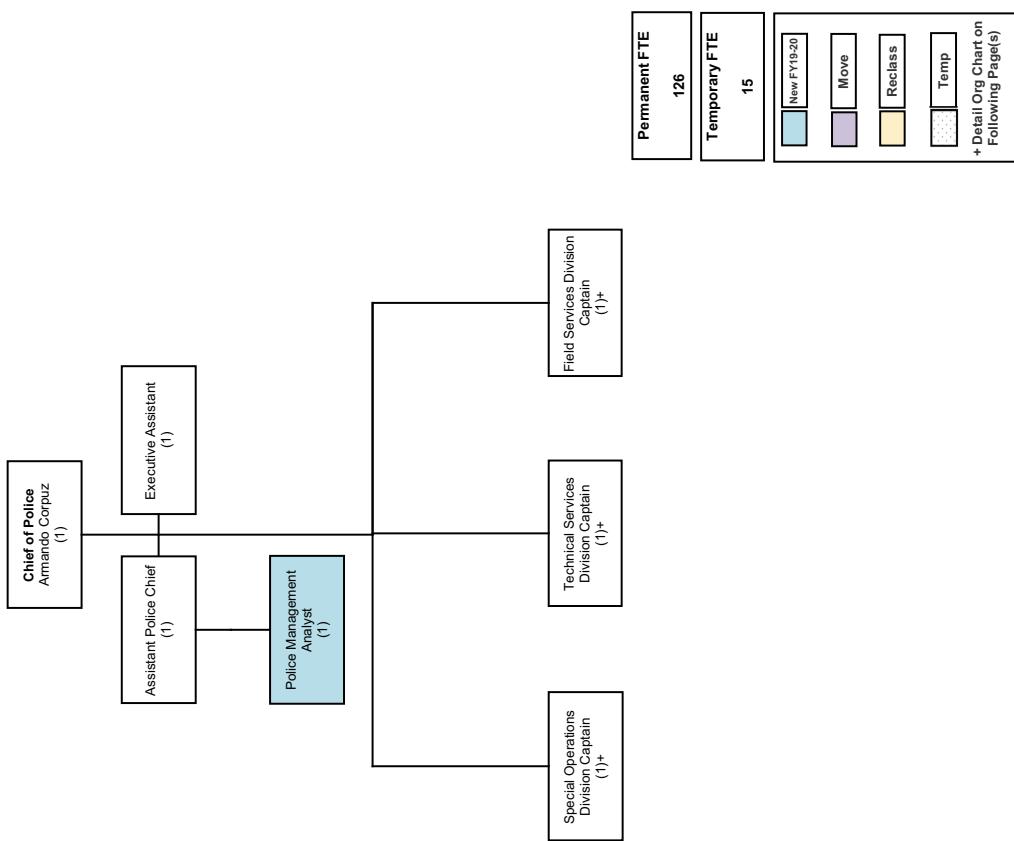
Mission Statement

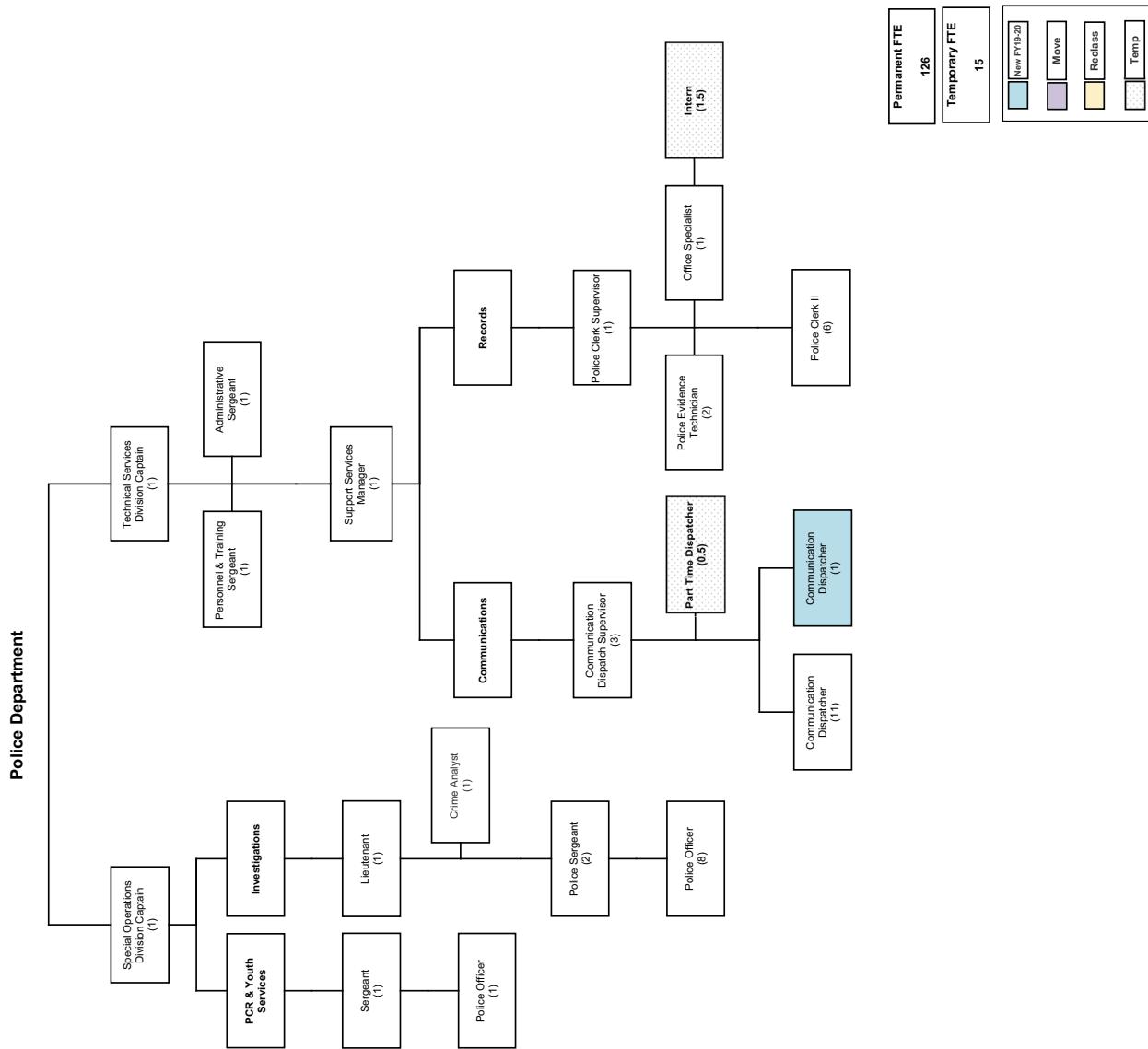
The Milpitas Police Department is committed to the protection of lives and property by working with our community and providing professional and responsive police services.

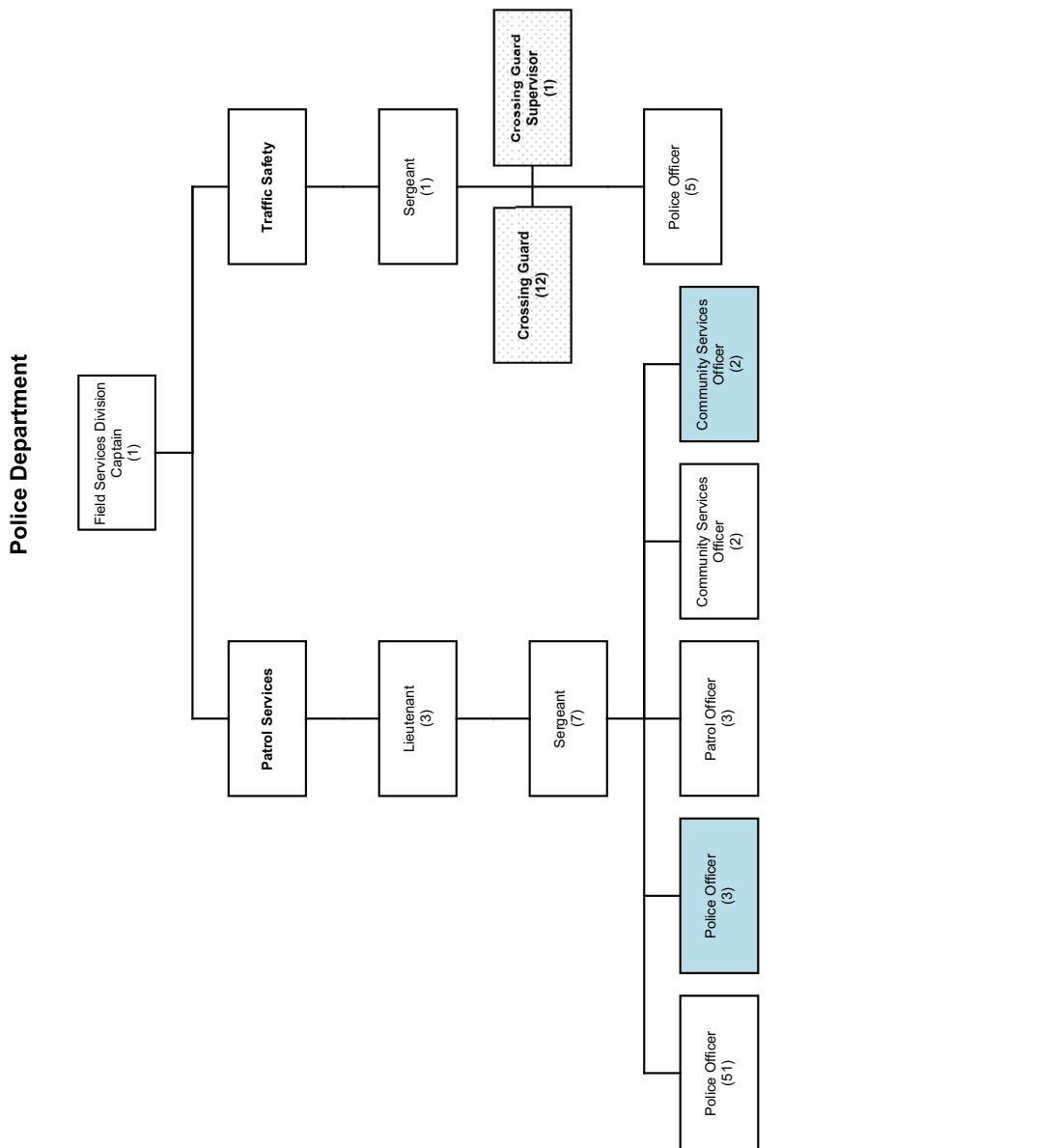
Divisions

Police Administration
Special Operations
Technical Services
Field Services



Police Department





DEPARTMENT: Police

POLICE CHIEF: Armando Corpuz

Description: This department provides 24 hours-a-day, 365 days-a-year policing services to the City, keeps the peace, and prevents & controls crime. The Department's nine functions include: Administration, Patrol Services, Traffic Safety Unit, Crossing Guards, Police Community Relations Unit, Investigations Unit, Communications Unit, Records Unit, and Personnel & Training.

Services

- Provides 24 hours-a-day, 365 days-a-year response to calls for police services. Safeguards the community from crime through deterrence, prevention, and arrest of offenders. Preserves the public peace, protects life & property, and appropriately enforces laws & ordinances.
- Investigates automobile thefts, hit-and-runs collisions, and traffic accidents; conducts accident reconstruction for major injury & fatal collisions; provides traffic control at major events and enforces traffic laws.
- Manages the Crossing Guard program, which staffs critical intersections within the City to ensure the safety of children walking to and from schools.
- Facilitates PAL activities & programs and conducts Neighborhood Watch, Police Explorer, Citizen Volunteer, and other crime prevention & education programs.
- Works closely with the school district and county agencies to divert first time offenders from the juvenile justice system through parent counseling and other innovative programs. The School Resource Officer in the Police Community Relations Unit serves Milpitas High School and Calaveras Hills High School.
- Provides follow-up investigation of crimes against persons, fraud, high technology crimes, missing persons, and property crimes.
- Conducts gang prevention, intervention, and investigation programs; tracks sex registrants; and conducts proactive narcotic investigations.
- Provides 24 hours-a-day, 365 days-a-year 9-1-1 emergency telephone answering and emergency dispatching for the police department, fire department, and other City Departments.
- Provides public counter service, filing of criminal complaints, and evidence management. Processes, maintains, and distributes police reports and fire reports, prepares statistical data required by law, and responds to report requests and telephone inquiries from citizens and other authorized entities.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
2018-2019 Accomplishments							
1. Established a Recruitment Team.	X						
2. Hosted a teen citizen academy.	X						
3. Hosted the first inaugural coffee with a cop.	X						
4. Extend the body-worn camera program to the Special Investigations Unit.	X						
5. Active shooter response training completed with crossing guards, Milpitas Library, Parks and Recreation department, and corporate business.	X						
6. Robberies were reduced by 22 percent.	X						
7. Reduced residential burglaries down to 17 year low.	X						
2019-2020 Goals							
1. Ensure average response times to emergency calls remain under three (3) minutes.	X						
2. Ensure 100% registration compliance by known sex offenders.	X						
3. 95% of 911 calls answered by a dispatcher within ten (10) seconds. The state standard is 95% within fifteen (15) seconds.	X						
4. Reduce Part 1 Uniform Crime Reporting index crimes by 2%.	X						
5. Community Engagement- conduct 4 coffee with a cop events, 5 HOA community presentations, and 2 citizen academies.	X						

Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
Average response time to emergency calls (minutes)	2:57	2:54	2:51	2:51
Part 1 Uniform Crime Reporting Index crimes (2% annual reduction target)	2,047	2,058	2,058	2,017
Community Events: Coffee with a cop, HOA presentations, Citizen academies	2	5	5	11
9-1-1 calls answered by a dispatcher within ten (10) seconds *	96%	96%	96%	96%
Compliance of known sex offenders	100%	100%	100%	100%
Activity and Workload Data	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Computer Aided Dispatch (CAD) system generated events	71,904	73,732	73,732	75,000
Arrests reported to FBI (all crimes)	2,395	2,531	2,190	2,300
Citations issued	7,180	5,895	5,394	6,000
Community Presentations	56	70	80	85

* - State standard is 95% within 15 seconds

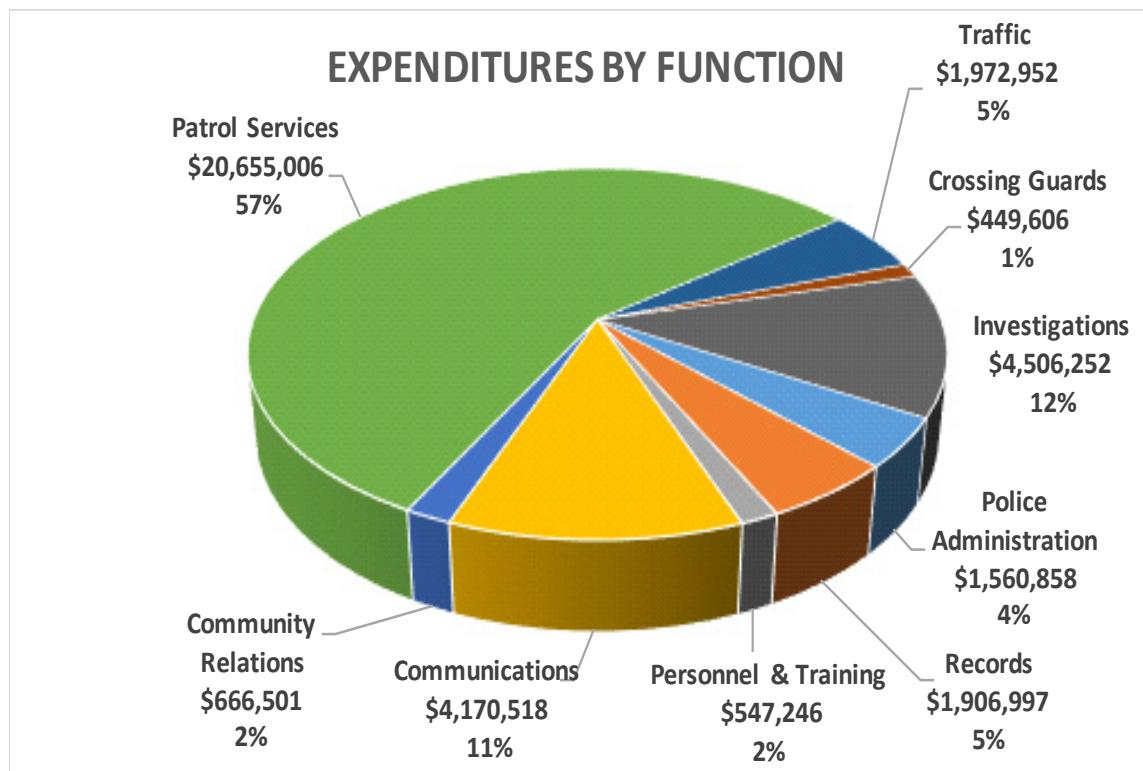
Permanent Personnel Allotment of 126 FTE

Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20
Chief of Police	1	0	0	1	Support Services Manager	1	0	0	1
Assistant Police Chief	1	0	0	1	Police Clerk Supervisor	1	0	0	1
Police Captain	3	0	0	3	Police Clerk II	6	0	0	6
Police Lieutenant	4	0	0	4	Communication Dispatch Spvisor	3	0	0	3
Police Sergeant	13	0	0	13	Communications Dispatcher	11	0	1	12
Police Officer	65	0	3	68	Police Evidence Technician	2	0	0	2
Patrol Officer	3	0	0	3	Crime Analyst	1	0	0	1
Community Service Officers	0	2	2	4	Executive Assistant	1	0	0	1
Police Management Analyst	0	0	1	1	Office Specialist	1	0	0	1
TOTAL						117	2	7	126

Total temporary FTE: 15

Expenditure Analysis

Personnel Services	Increase in personnel services due to negotiated salary and benefit increases in PERS contribution rates, 8 new positions (2 during FY 18-19 midyear and 6 for FY 19-20 proposed budget) \$1,443K (3 POs estimated start Jul '19, 2 CSOs estimated start Oct '19, 1 Police Mgmt Analyst estimated start Sept '19, 1 Dispatcher estimated start Jan '20), increase in overtime costs \$50K
Services and Supplies	Equipment replacements \$106K. Increase contractual costs (radio operation maintenance) \$33K.
Capital Outlay	4 new vehicles in patrol services and 2 new vehicles in investigations.



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	14,228,432	14,374,015	17,187,866	18,480,319
4112 Temporary Salaries	519,294	484,354	512,552	518,376
4113 Overtime	677,687	653,025	693,283	743,283
4121 Allowances	133,716	129,224	145,344	148,053
4124 Leave Cashout	824,635	496,724	0	0
4131 PERS	5,723,505	6,115,187	8,103,352	9,638,310
4132 Group Insurance	2,184,247	2,137,938	2,656,212	2,692,602
4133 Medicare	225,484	228,142	252,369	278,125
4135 Worker's Compensation	519,397	684,765	577,115	970,980
4138 Deferred Comp-Employer	4,892	4,500	8,100	14,925
4139 PARS	5,565	5,569	0	7,384
4141 Adjustments-Payroll	0	0	4,500	4,500
4146 Short Term Disability	0	0	0	25,211
4161 Retiree Medical Reserve	668,425	716,170	758,143	825,915
sub-total	25,715,280	26,029,614	30,898,836	34,347,983
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	500	500	500	500
4211 Equip Replacement Amortization	409,852	559,018	511,449	617,268
4220 Supplies	151,394	300,824	150,115	169,010
4230 Services	649,836	789,309	882,832	1,012,340
4410 Communications	21,075	20,623	24,820	19,320
4501 Memberships and Dues	4,382	3,944	3,673	4,230
4503 Training	130,920	92,491	103,672	133,672
sub-total	1,367,958	1,766,709	1,677,061	1,956,340
CAPITAL OUTLAY				
4850 Vehicles	25,472	1,700	40,940	71,613
4870 Machinery & Equipment	24,487	43,595	0	0
4910 Office Furniture & Fixtures	0	64,554	0	0
4920 Machinery Tools & Equipment	125,542	4,337	60,000	60,000
sub-total	175,501	114,185	100,940	131,613
TOTAL	27,258,738	27,910,507	32,676,837	36,435,936

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Mission Statement

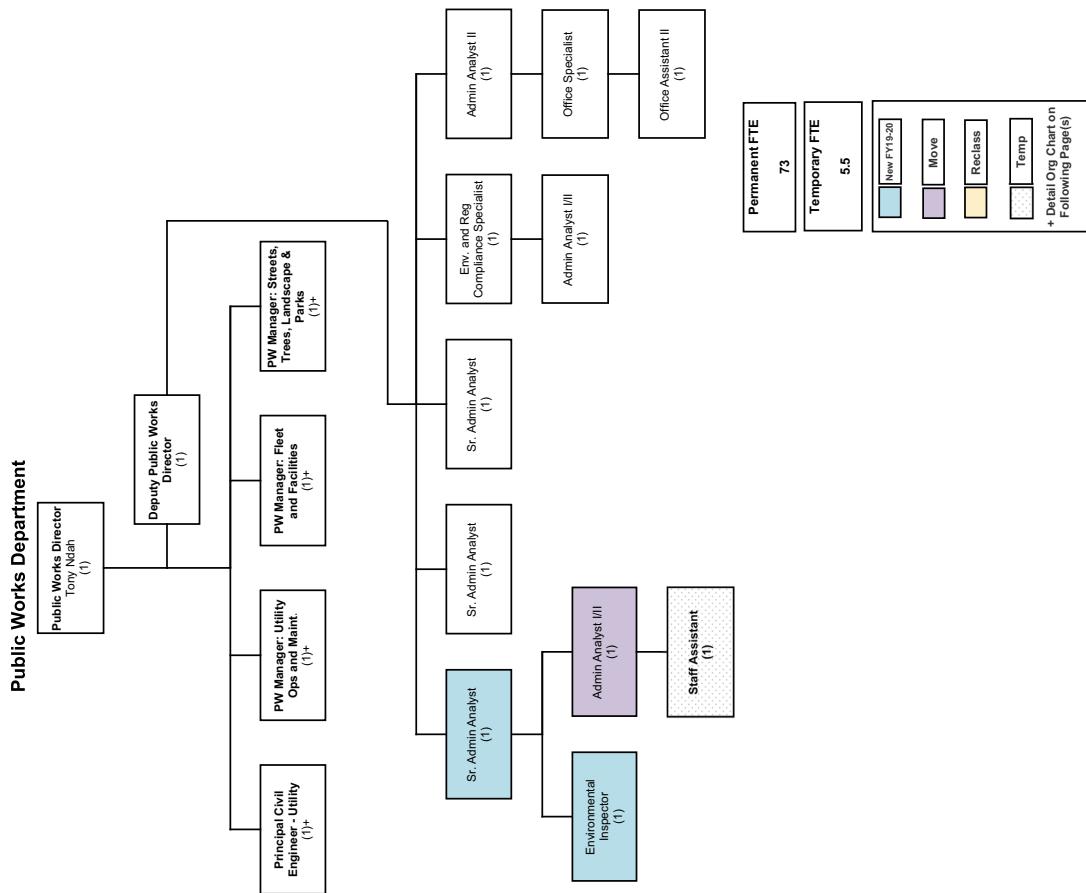
The Public Works Department is committed to enhancing the quality of life and ensuring public health and safety in the community by providing:

Quality and responsive service and resources to operate and maintain the infrastructure in a safe, timely and efficient manner.

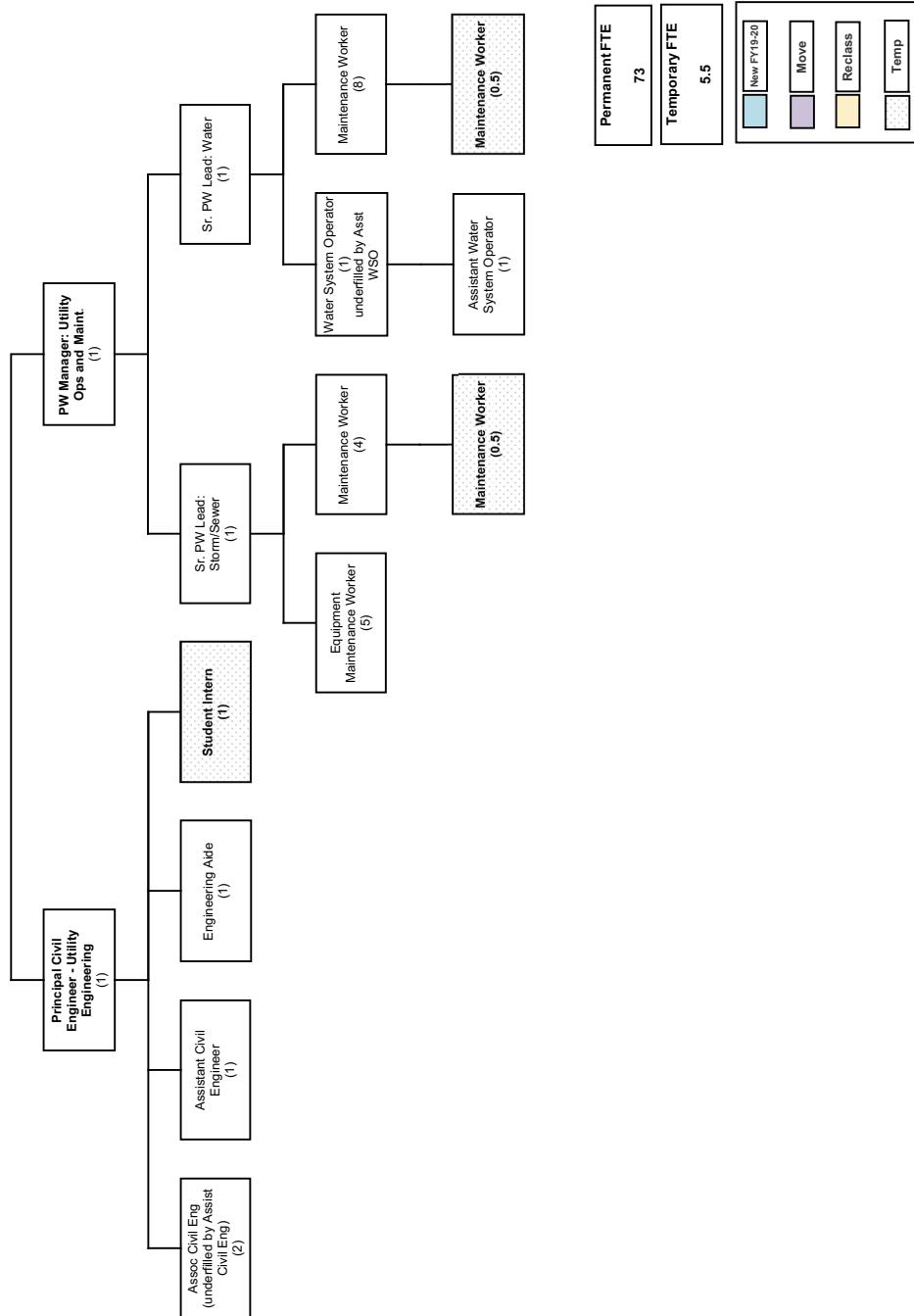
Functions

Public Works Administration
Street Maintenance
Utility Engineering
Utility Maintenance
Park Maintenance
Trees & Landscape Maintenance
Fleet Maintenance
Facilities Maintenance
Compliance
Solid Waste

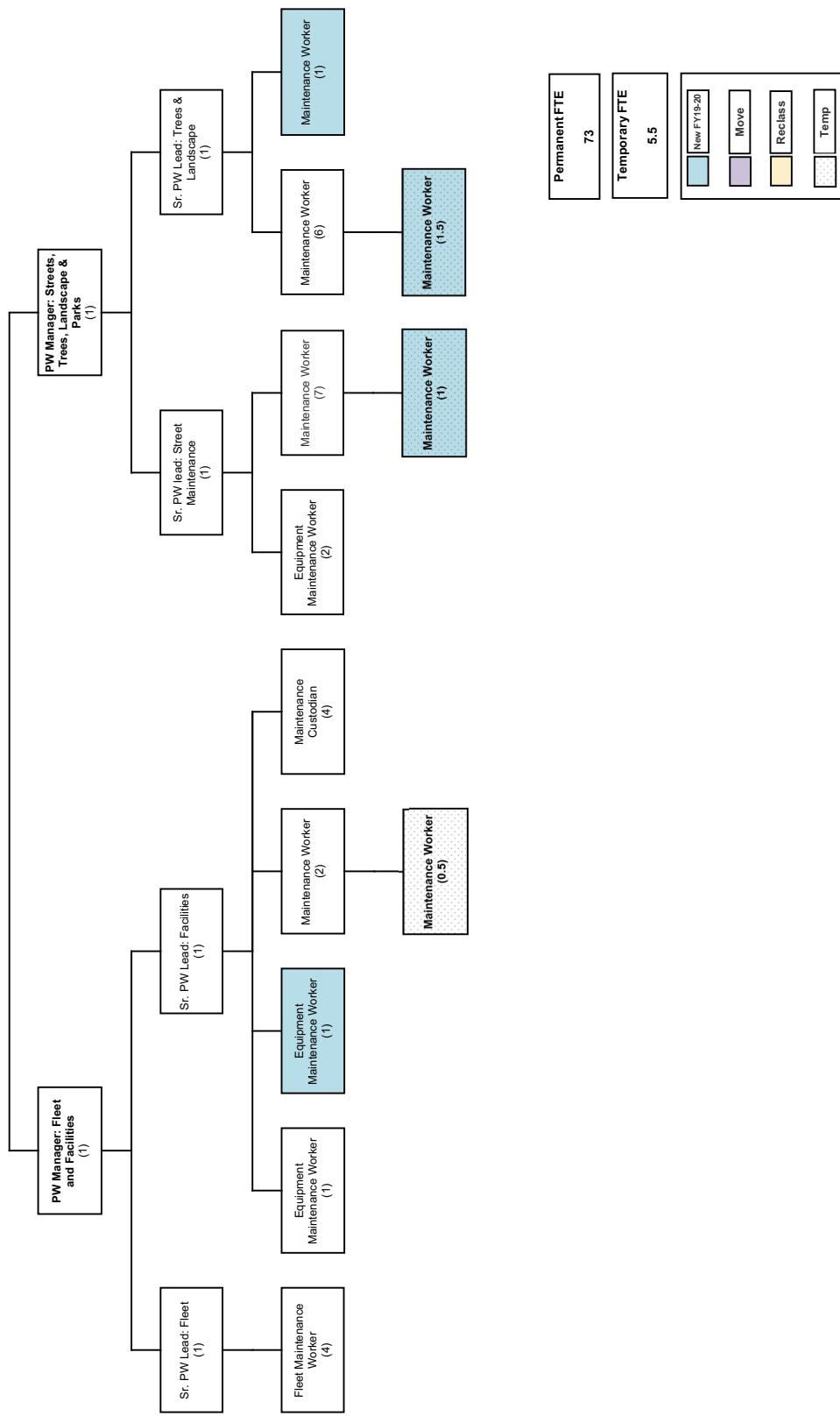




Public Works Department



Public Works Department



DEPARTMENT: Public Works

PUBLIC WORKS DIRECTOR: Tony Ndah

Description: The Public Works Department operates and maintains the City's infrastructure and facilities including public streets, utilities, parks, street landscaping, City vehicles, and City buildings. The ten functions are Administration, Streets Maintenance, Utility Engineering, Utility Maintenance, Park Maintenance, Trees and Landscape Maintenance, Fleet Maintenance, Facilities Maintenance, Compliance, and Solid Waste.

Services

- Provides management, direction and coordination for the operation, maintenance, cleaning, and repair of City infrastructure and equipment assets. Responds to over 13,500 customer service calls and 2,800 work order requests annually.
- Maintains the City's traffic signal system, traffic signs, street lights, paved roadways, and pavement markings in accordance with the Clean & Safe Streets program and State Code requirements.
- Provides sidewalk repair, right-of-way weed abatement, and graffiti removal.
- Operates and maintains the water distribution system, including 206 miles of water lines, 4 pumping stations, 5 storage reservoirs, and numerous pressure valves regulating 7 pressure zones, to deliver 11 million gallons per day of potable water to 19,000 accounts.
- Provides engineering support and ensures compliance with regulatory permits for the City's water, sewer, and stormwater systems.
- Operates and maintains the sewer collection system, including 175 miles of sewer lines and 2 pumping stations to discharge 8 million gallons per day to the San Jose/Santa Clara Water Pollution Control Plant.
- Operates and maintains the stormwater collection system, including 105 miles of storm pipe and 13 pump stations to transmit storm water through the levees to creeks.
- Marks out locations of City's underground utilities (water, sewer, storm, and traffic communication fiber) to protect against construction damage to these underground assets.
- Manages the City's sustainability and environmental programs including climate action, solid waste, stormwater management, and regulatory compliance.
- Provides park maintenance for more than 170 acres of parkland, including playgrounds, picnic areas, athletic fields, pathways, landscaping, park restrooms, park trees, lagoons, and parking lots.
- Maintains more than 15,400 trees and 125 acres of median landscaping, including City tree planting and pruning, trails, and litter control.
- Maintains and repairs City vehicles and motorized equipment including police vehicles, fire apparatus, construction equipment, mowers, and communication radios.
- Maintains City buildings and grounds, including building systems (plumbing, electrical, heating, air conditioning, and ventilation; and backup power). Sets up rooms for rental groups and meetings. Manages custodial and janitorial services.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
Accomplishments 2018-19							
1. Completed Water and Sewer Rate Studies and passed new rates	X	X					X
2. Completed tree inventory and assessment portion of Urban Forest Management Plan.	X	X			X	X	X
3. Completed condition assessment for parks, playgrounds and City facilities	X	X	X				X
4. Initiated implementation of new Asset Management system.	X	X	X				X
5. Initiated a RFP for an Energy Service Company.		X		X			X
2019-2020 Goals							
1. Provide cost effective maintenance and repair services that meet or exceed industry standards or best practices.	X	X	X		X	X	X
2. Implement asset management programs to ensure the City's assets and infrastructure are updated and well maintained.	X	X	X	X	X	X	X
3. Develop, support, and retain an exceptionally qualified, well trained, and diverse work force.	X			X			X
4. Utilize technology to enhance services to the community and improve the transfer of information between the Milpitas community and Public Works staff.	X	X			X	X	X
5. Work to meet the City's sustainability goals and ensure compliance with state and federal regulatory agencies and cooperate with other agencies to safeguard natural resources for the benefit of the environment, residents, development community, overall quality of life, and more.		X		X	X	X	X
6. Implement a Community Odor Monitoring Pilot		X					

Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
Customers surveyed that are satisfied with facility maintenance services *	N/A	N/A	N/A	90%
Up-time for City vehicles and equipment *	N/A	N/A	N/A	95%
Graffiti incidents removed in 10 days *	N/A	N/A	N/A	90%
Water samples meeting or surpassing State and Federal water quality standards	100%	100%	100%	100%
Capital projects completed on schedule and within budget *	N/A	N/A	N/A	N/A
Reduction in community-wide greenhouse gas (GHG) emissions below baseline	N/A	N/A	N/A	15% **
Activity and Workload Data	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Street lights repaired and replaced	450	450	500	450
Potholes repaired	107	150	200	150
City trees pruned	489	1,785	2,050	2,500
Sanitary sewer pipeline cleaned (linear feet)	492,244	317,000	436,500	317,000
Number of calls received by DPW Customer Service	13,500	13,500	14,400	13,500

* - Performance Measures new to FY 2019-20

** - Targets established as part of the updated Climate Action Plan

Permanent Personnel Allotment of 73 FTE

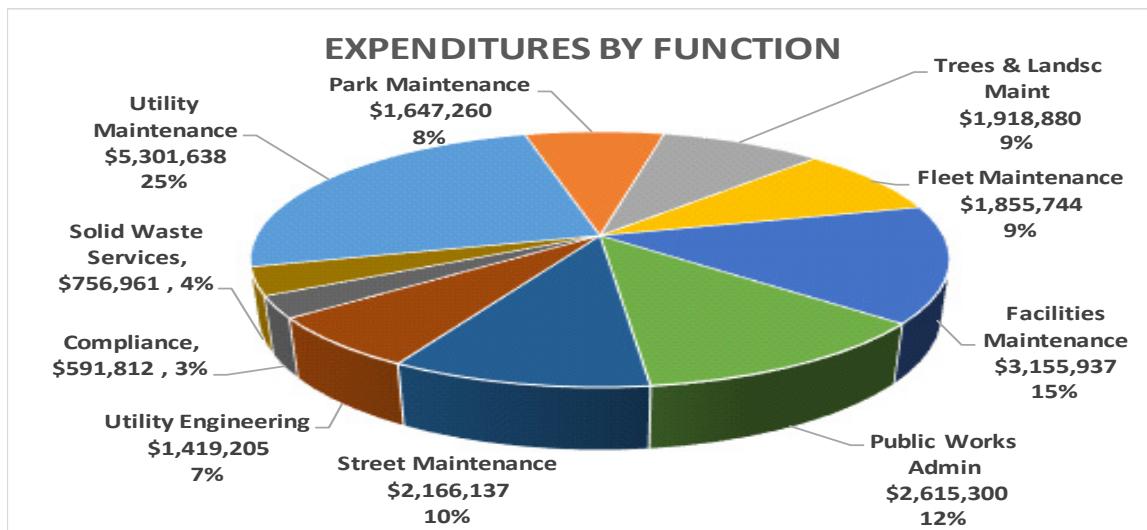
Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20
PW Director	1	0	0	1	Maintenance Custodian III	1	0	0	1
Deputy Public Works Director	1	0	0	1	Water System Operator	1	0	0	1
Environmental and Regulatory Compliance Specialist	1	0	0	1	Assistant Water Operator	1	0	0	1
Public Works Manager	3	0	0	3	Principal Civil Engineer	1	0	0	1
Senior Public Works Lead	6	0	0	6	Associate Civil Engineer	2	0	0	2
Equipment Maint Worker II	3	0	1	4	Assistant Civil Engineer	1	0	0	1
Equipment Maint Worker III	5	0	0	5	Engineering Aide	1	0	0	1
Fleet Maintenance Worker II	3	0	0	3	Environmental Inspector	0	0	1	1
Fleet Maintenance Worker III	1	0	0	1	Office Specialist	1	0	0	1
Maintenance Worker I	3	0	0	3	Office Assistant II	1	0	0	1
Maintenance Worker II	16	0	0	16	Administrative Analyst I/II	2	1*	0	3
Maintenance Worker III	8	0	1	9	Senior Admin Analyst	2	0	1	3
Maintenance Custodian II	3	0	0	3					
					TOTAL	68	1	4	73

Total temporary FTE: 5.5

* One (1) moved from Engineering with the transfer of Solid Waste Services/Compliance program

Expenditure Analysis

Personnel Services	Increase in personnel services due to negotiated salary and benefit increases including PERS contribution rates. Transfer of Solid Waste Services/Compliance programs from Engineering to Public Works (\$230K+\$247K); transferred 1 existing position, 1 temp position, and 2 new positions (1 Sr. Analyst estimated start Aug. '19, 1 Environmental Inspector estimated start Aug. '19) \$314K. Add 2 new positions for FY19-20 (1 MW3 estimated start Sept '19 \$136K and 1EMW II estimated start Nov '19 \$113K). Increase in temporary workers (seasonal MW-Streets (1)) \$111K.
Services and Supplies	Increase in repair & maintenance, contractual services costs (Parks Maintenance \$208K; Janitorial Svcs \$108K; SCVURPP (Mandated) \$142K; Maint Supplies \$87K). Shifted funding to create new On-Call Emergency Pipeline Repairs \$320K.
Capital Outlay	Fleet Maint - 3 vehicles Street Maint - 2 vehicles, 1 tractor, 2 equipment



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	3,536,524	4,771,814	6,543,644	7,301,123
4112 Temporary Salaries	255,327	152,724	201,000	311,600
4113 Overtime	254,953	200,758	297,700	297,700
4121 Allowances	80,000	5,069	140,000	140,000
4122 Standby Pay MEA	0	89,550	0	0
4124 Leave Cashout	96,081	178,489	0	0
4125 Accrued Leave	(41,712)	21,364	0	0
4126 Stipend MEA	0	414	0	0
4131 PERS	1,099,499	1,628,758	2,442,482	2,996,769
4132 Group Insurance	924,590	1,120,993	1,528,368	1,559,796
4133 Medicare	60,480	77,772	93,715	109,739
4135 Worker's Compensation	84,395	89,688	94,025	61,317
4138 Deferred Comp-Employer	7,142	11,221	12,600	16,500
4139 PARS	2,603	1,364	0	4,674
4146 Short Term Disability	0	0	0	14,756
4161 Retiree Medical Reserve	184,779	284,870	306,272	347,224
sub-total	6,544,663	8,634,848	11,659,806	13,161,198
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	5,777	15,000	136,500
4211 Equip Replacement Amortization	701,976	597,038	707,507	936,273
4220 Supplies	983,591	974,434	1,203,835	1,290,546
4230 Services	3,857,061	3,381,952	4,432,410	5,383,976
4410 Communications	2,472	5,240	11,880	27,960
4420 Utilities	98,637	111,759	152,215	185,631
4501 Memberships and Dues	4,315	15,522	22,655	35,390
4503 Training	28,197	34,757	144,050	191,400
4600 Ins, Settlements & Contgcy	4,844,867	5,162,685	0	0
sub-total	10,521,116	10,289,166	6,689,552	8,187,676
CAPITAL OUTLAY				
4850 Vehicles	0	70,332	460,946	0
4930 Hydrants & Meters	100,667	83,298	130,000	80,000
sub-total	100,667	153,630	590,946	80,000
TOTAL	17,166,445	19,077,644	18,940,304	21,428,874

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Mission Statement

The City of Milpitas Recreation and Community Services' mission is to enrich our community through exceptional programs and services.

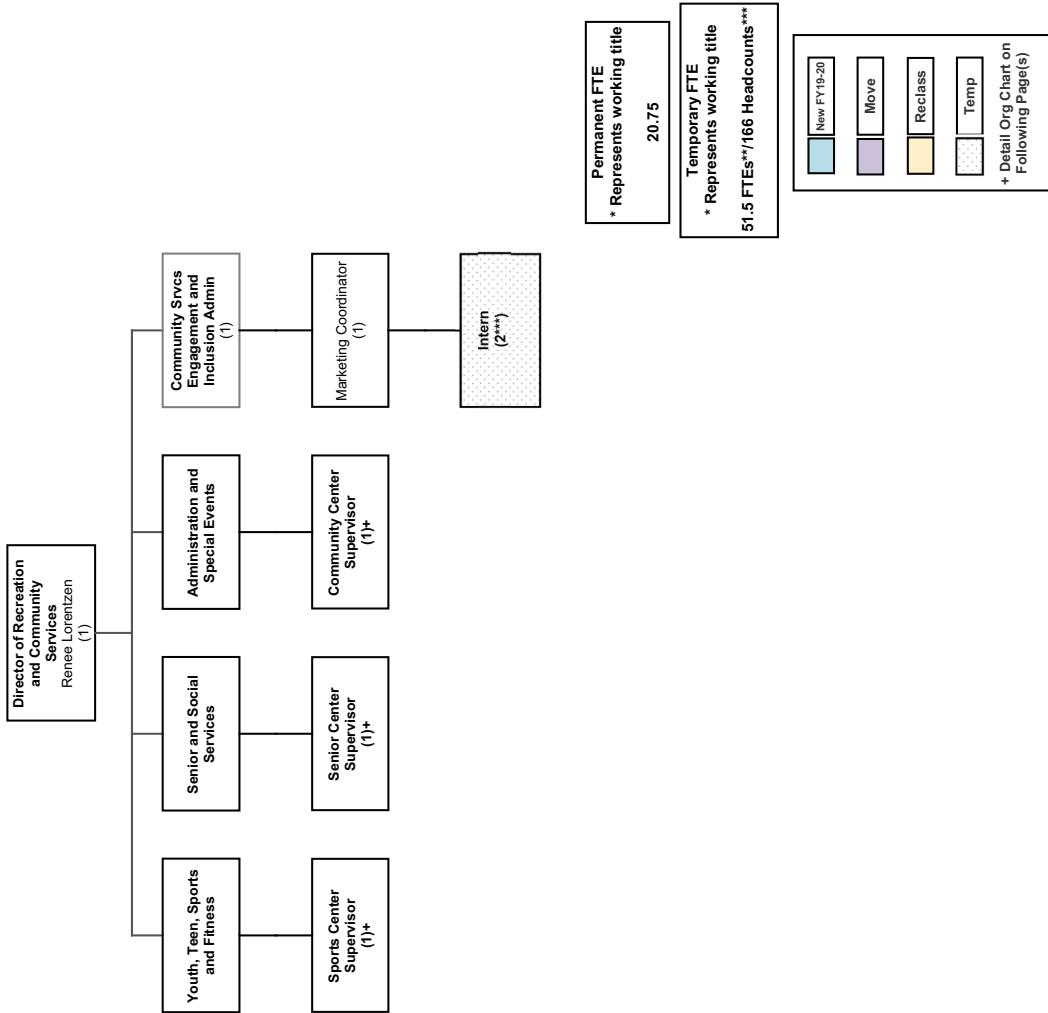
Our vision is to provide endless opportunities to our residents that strengthen community image and sense of place, support economic development, promote health and wellness, foster human development, increase cultural unity, facilitate solutions to community needs and provide recreational experience while preserving and enhancing our city resources.

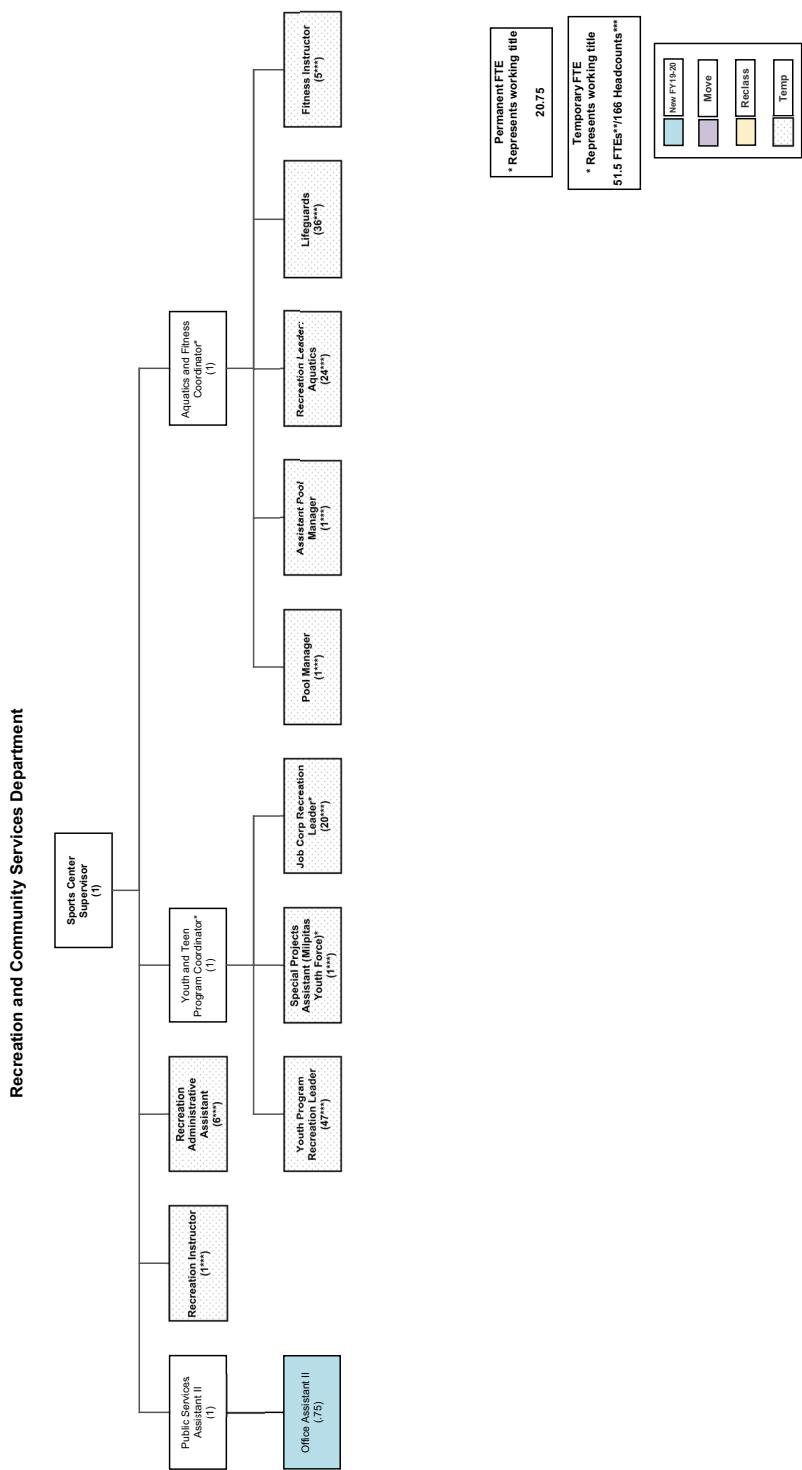
Functions

Recreation Administration
Senior Citizen Services
Pre-K Enrichment
Youth Programs
Special Events
Marketing
Performing Arts
General Classes
Aquatics
Sports & Fitness

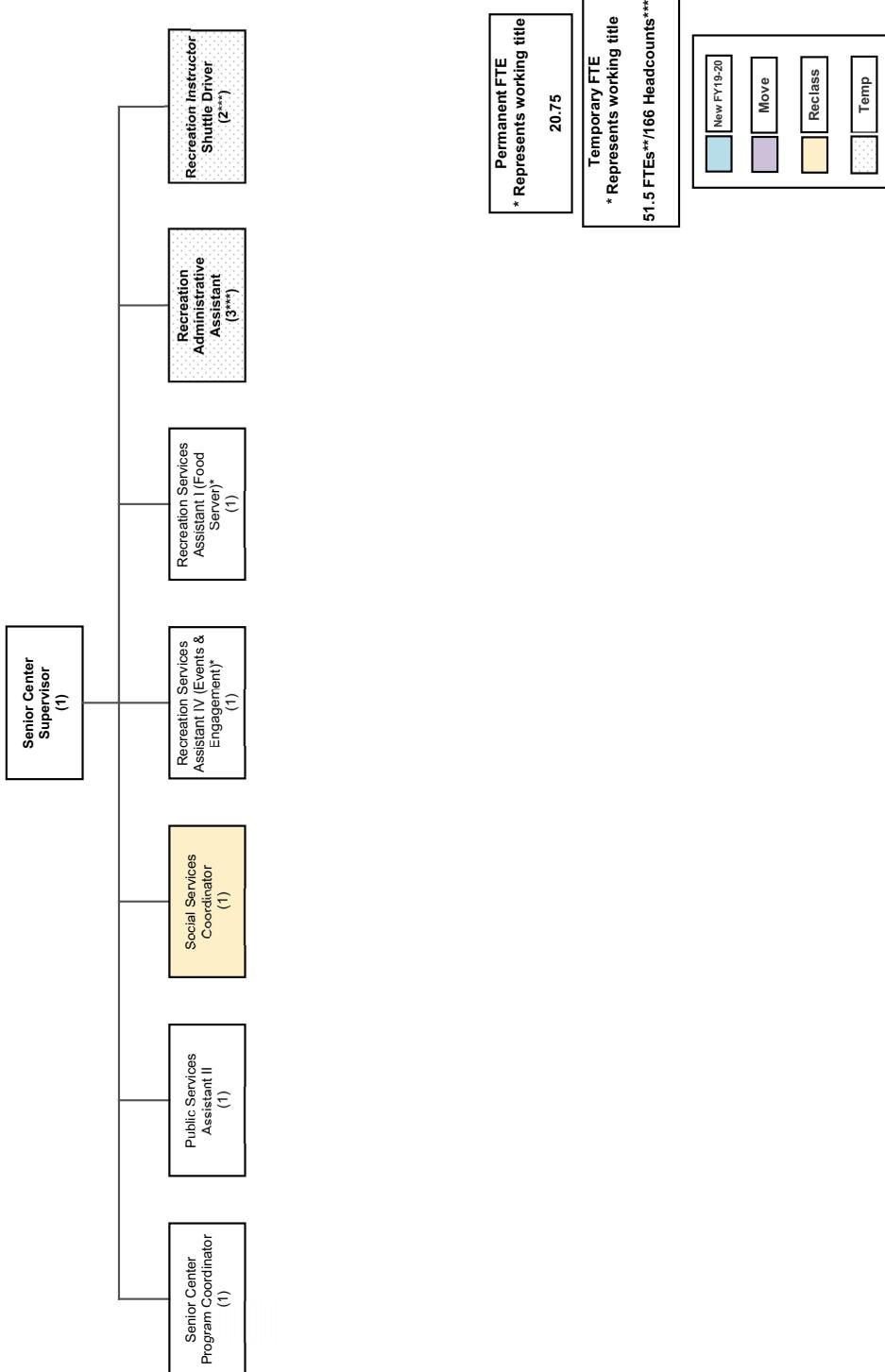


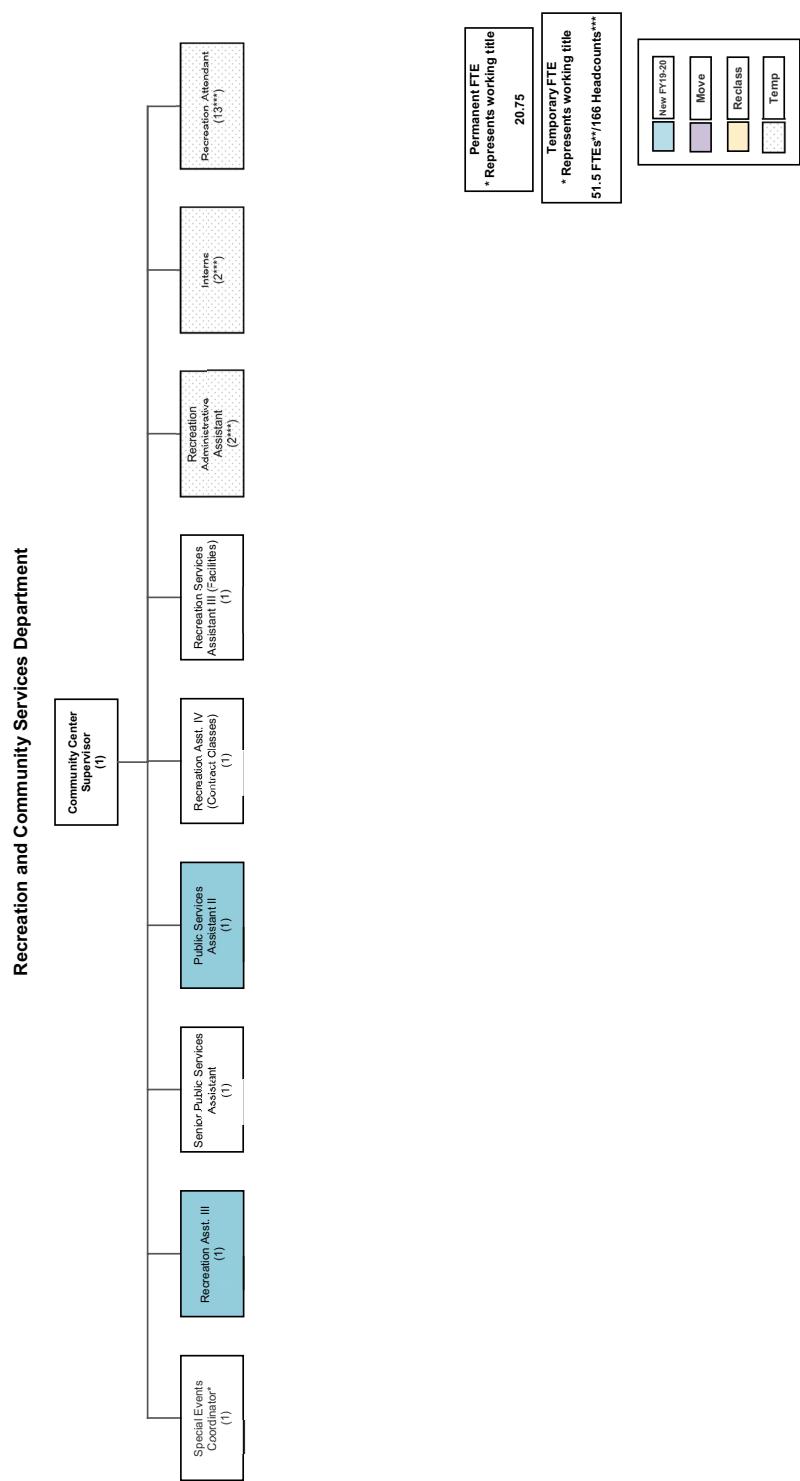
Recreation and Community Services Department





Recreation and Community Services Department





DEPARTMENT: Recreation And Community Services

RECREATION AND COMMUNITY SERVICES DIRECTOR: Renee Lorentzen

Description: The department provides recreational opportunities and experiences, community and social services, and park and facility rentals for all residents and visitors of Milpitas. The department is committed to providing the highest standard of excellence in public service through our programs, events, and interactions with the community. The department strives to create a sense of community, support economic development, promote health and wellness, increase cultural awareness and facilitate solutions to community needs. The department monitors daily operation at three Full Service Recreation Centers and three Satellite centers. It also oversees and offers a Recreational Assistance program for low income residents.

Services

- Oversees Community Center daily operations, indoor/outdoor recreation facility rentals, sponsor and donation functions, supervises departmental operations, coordinates promotions, public relations, publishes Recreation Activity Guide, and currently staffs six City Commissions. Provides a volunteer program for individuals to help serve their community. Oversees and offers a Recreational Assistance program for low income residents. Monitors daily operations of the Senior Center that provides a daily lunch program, a wide variety of drop-in programs, trips, classes, specials events, social services and transportation shuttle. Oversees a daily after school and Saturday teen center with numerous programs and activities. Oversees the operation of the Sports Center with a Fitness Center, fitness and wellness classes, personal training, aquatic classes, lap swimming, adult and youth sports programs, manages indoor and outdoor youth sport organizations, field and snack shack usages.
- Offers Cultural Arts programs such as the Phantom Art Gallery, Center Stage Performing Arts, Milpitas Community Concert Band, and the Milpitas Art and Cultural in kind Grant Program.
- Provides a wide variety of youth, teen and adult classes and programs; Focusing on enriching experiences and emphasizing learning through active play and socialization, Pre-K Enrichment youth sports leagues and specialty camps, After the Bell after school program at seven school sites for grades 1-6, LYFE After school program at 2 middle school sites for grades 7-8, family classes, adult financial management programs and more.
- Provides over 40 city wide special events, ceremonies and concerts for the community including Juneteenth, Veterans Day Ceremony, Tree Lighting, Summer Concert Series, Pumpkins in the Park, Lunar New Year, Commissioners' Recognition Event and 4th of July Celebration.



	Public Safety	Environment	Transportation and Transit	Economic Development and Job Growth	Neighborhoods and Housing	Community Wellness and Open Space	Governance and Administration
2018-2019 Accomplishments							
1. Re-Institute Teen programs and activities, including the new Milpitas Youth Force summer job corps.	X			X		X	
2. Develop and broaden Special Needs services and events.						X	
3. Re-Instituted Senior Center Shuttle Service providing transportation to and from the Milpitas Senior Center.	X		X			X	
4. Increase Senior Life Skills presentations and workshops, with a focus on mental health and well being.	X					X	
2019-2020 Goals							
1. Increase fitness activities and workshops for families by partnering with local health organizations to focus on healthy nutrition and well being.						X	
2. Increase fee based programs for Teens and Young Adults by 10%, thus adding multiple new opportunities to enhance and diversify youth services						X	X
3. Add five (5) new classes/activities for Senior Center members, to promote the service and interaction of our diverse senior population.						X	X
4. Conduct two (2) focus groups with cultural, community and non-profit leaders on accessibility of recreation and community services programs and events.						X	
5. Initiate a Rec & Park Master Plan.						X	X
6. Complete a cost recovery analysis for all fees.							X

Performance Measures	FY 17-18 Actual	FY 18-19 Target	FY 18-19 Estimate	FY 19-20 Target
Customer Service satisfaction surveys rating Good or Excellent *	N/A	85%	89%	93%
Increase in number of residents served **	4%	5%	6%	6.5%
Number of Park Acres per 1,000 Residents ***	1.88	1.89	1.89	1.90
Activity and Workload Data	FY 17-18 Actual	FY 18-19 Forecast	FY 18-19 Estimate	FY 19-20 Forecast
Recreation Program and Class Fees Revenue **	\$2,252,234	\$2,525,704	\$2,567,546	\$2,650,000
# of Social Media Engagements ****	4,554	7,508	9,785	10,179
Facility and Park Rental Revenue **	\$238,579	\$287,000	\$251,995	\$261,995
# of Special Events Offered *****	33	35	40	45

* - Survey Monkey Survey

** - Activenet Recreation Software Management Reports

*** - 3 acres per 1,000 residents - Quimby Act Standards (above acreage does not include Ed Levin Park County Park)

**** - Facebook / ND Analytics Tools

***** - Increase of over 500% of events offered since 2012

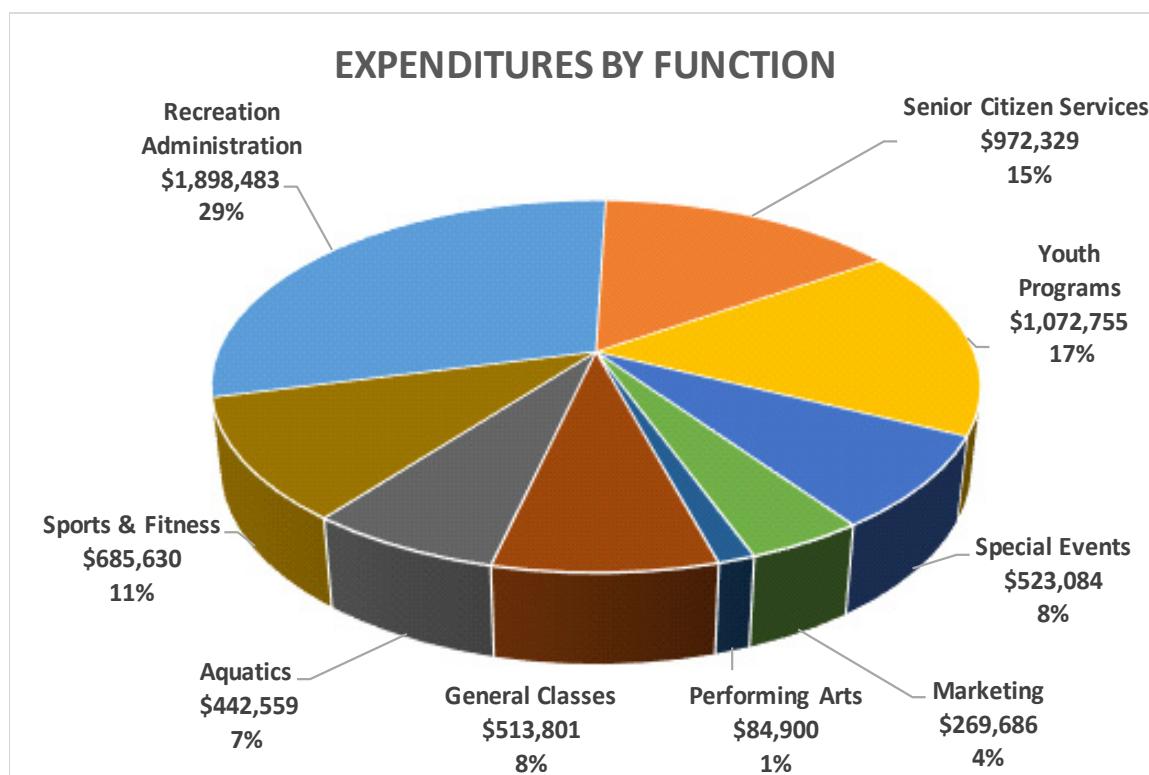
Permanent Personnel Allotment of 20.75 FTE

Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	Position	FY 19	FY 19 Mid Yr. Add	Adopted Add	FY 20	
Director of Rec & Comm Svcs	1	0	0	1	Senior Public Services Asst	1	0	0	1	
Community Services Engagement & Inclusion Administrator	1	0	0	1	Public Services Assistant II	2	0	1	3	
Recreation Services Supervisor	3	0	0	3	Recreation Services Asst I	1	0	0	1	
Marketing Coordinator	1	0	0	1	Recreation Services Asst III	1	0	1	2	
Program Coordinator	4	0	1	5	Recreation Services Asst IV	2	0	0	2	
Case Manager (Rcls Soc Serv Coordinator)	1	0	-1	0	Office Assistant	0	0	0.75	0.75	
						TOTAL	18	0	2.75	20.75

Total temporary FTE: 51.5

Expenditure Analysis

Personnel Services	Increase in personnel services due to negotiated salary and benefit increases in PERS contribution rates. Added new positions (1 Public Services Assistant estimated start Oct '19, 1 Recreation Assistant estimated start Oct '19, 0.75 Office Assistant estimated start Oct '19) \$133K. Increase temp positions (recreation leaders/admin/attendants) \$385K.
Services and Supplies	Increase supply costs (After the Bell/Day Camps/Teen Programs/Job Corp) \$146K. Decrease in contractual services due to adds in temporary staff and permanent positions (\$269k).
Capital Outlay	1 Vehicle for Rec Admin, 1 Vehicle for Sports & Fitness



	Actual 2016-17	Actual 2017-18	Budget 2018-19	Adopted 2019-20
PERSONNEL SERVICES				
4111 Permanent Salaries	1,157,895	1,274,986	1,631,675	1,764,737
4112 Temporary Salaries	757,931	1,006,961	1,392,825	1,778,049
4113 Overtime	10,281	13,321	29,970	31,700
4124 Leave Cashout	26,629	29,139	0	0
4131 PERS	346,275	432,390	598,205	725,123
4132 Group Insurance	273,147	291,378	398,952	433,077
4133 Medicare	28,377	33,760	23,698	53,633
4135 Worker's Compensation	18,248	20,607	11,994	30,691
4138 Deferred Comp-Employer	13,414	13,433	16,200	23,344
4139 PARS	11,317	15,120	0	21,334
4146 Short Term Disability	0	0	0	4,097
4161 Retiree Medical Reserve	60,509	67,129	80,875	88,360
sub-total	2,704,022	3,198,223	4,184,394	4,954,145
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	41,043	17,270	35,000	58,500
4211 Equip Replacement Amortization	47,605	68,924	61,754	100,314
4220 Supplies	313,052	369,736	381,101	528,072
4230 Services	754,630	811,534	1,065,014	795,802
4501 Memberships and Dues	2,072	4,507	12,500	15,450
4503 Training	11,859	5,124	6,800	7,475
4600 Ins, Settlements & Contgcy	1,800	1,560	1,980	1,980
sub-total	1,172,062	1,278,654	1,564,149	1,507,593
CAPITAL OUTLAY				
4850 Vehicles	0	0	0	1,489
4920 Machinery Tools & Equipment	0	20,000	0	0
sub-total	0	20,000	0	1,489
TOTAL	3,876,084	4,496,877	5,748,543	6,463,227

DEPARTMENT: Non-Departmental	
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Description: *This category funds a variety of activities that are not specific to any one department. Personnel Services include expenditures not budgeted in the individual departments such as vacation and leave cashouts, benefit administration fees, retiree medical benefits and self-funded unemployment insurance. Supplies and Contractual Services include centralized copier costs for City Hall, utility payments and citywide tuition reimbursement. Sewer treatment plant maintenance and operation are funded in this category, as are all water purchases for the water fund. This category also funds debt service, equipment and vehicle replacement.*

Expenditure Analysis

Personnel Services: \$1.6 million will fund vacation and leave cashouts, MOU contractual obligations, retiree medical benefits and unemployment benefits, and also incorporate a 3% vacancy factor in the FY 19-20 Budget.

Services and Supplies: \$7,045,000 is for Treatment Plant fees; \$4,084,000 is for gas, electric, and water utilities; \$17,420,000 is for water purchases; \$1,440,000 is for recycled water purchase. A total of \$30,000 is reflected in this function for citywide tuition reimbursement. \$875,617 is budget based on preliminary estimate of the City's insurance premium with ABAG is PLAN JPA for the 2019-20 fiscal year. \$200,000 has also been included for Community Beautification. \$168,000 is also included for costs related to a green vehicle lease program for 28 vehicles in FY 19-20 that do not currently have replacement funding. These vehicles are all 10 years and older, and are proposed to be replaced with hybrid vehicles. \$444,000 is also included for the Citywide Rate Assistance Program for Building and Planning fees and Water and Sewer Utility bills.

Debt Service: \$640,600 is scheduled to pay the principal and interest due on the 2017 Wastewater Revenue Refunding Bonds for the sewer system and interfund loan. \$225,225 is the payment for the 2019 Water Bonds, \$392,438 is for the 2019 Sewer Bonds, and \$100,000 is estimated for Fire Station Bonds anticipated to be issued in Spring 2020.

Equipment Replacement: \$773,160 is for equipment replacement from monies that are available in the Equipment Replacement Fund and \$200,000 is for the vehicle charging stations.

	100 General Fund	109 Utilities Rate Assistance Fund	150 RDA Admin	211/237/238 H-H Lease CFD
PERSONNEL SERVICES				
4124 Leave Cashout	650,000	0	0	0
4131 PERS	30,000	0	0	0
4132 Group Insurance	30,000	0	0	0
4136 Unemployment	27,000	0	0	0
4137 MOU Contractual Agreements	811,800	0	0	0
4141 Adjustments-Payroll	(777,236)	0	0	0
4161 Retiree Medical Reserve	830,000	0	0	0
sub-total	1,601,564	0	0	0
SUPPLIES & CONTRACTUAL SERVICES				
4205 Miscellaneous Grants	0	0	0	0
4209 Rate Assistance Program	187,047	256,700	0	0
4212 Vehicle Lease Charges	168,000	0	0	0
4220 Supplies	13,500	0	0	0
4237 Contractual Services	96,600	0	0	10,500
4239 Audit Fees	65,000	0	6,000	0
4241 Repair & Maintenance	0	0	0	0
4242 Rents & Leases	174,091	0	0	35,000
4253 ABAG Attorney's Fees	230,000	0	0	0
4254 ABAG Settlements	75,000	0	0	0
4421 Utilities-Gas	207,000	0	0	0
4422 Utilities-Electric	1,625,000	0	0	0
4423 Utilities-Water	1,205,500	0	0	0
4424 SFWD, Wholesale Water Purchase	0	0	0	0
4425 SCVWD, Wholesale Water Purchase	0	0	0	0
4426 Utilities - Solid Waste	0	0	0	0
4427 Recycled Water Purchase	0	0	0	0
4429 Treatment Plant, M&O	0	0	0	0
4503 Training and Registration	0	0	0	0
4509 Tuition Reimbursement	24,000	0	0	0
4600 Insurance & Settlements	595,509	0	0	0
4610 Uncollectible Accounts	56,250	0	0	0
4640 Contingent Reserve	1,100,000	0	0	0
sub-total	5,822,497	256,700	6,000	45,500
DEBT SERVICE				
4701 Retirement of Principal	100,000	0	0	0
4711 Interest Expense	0	0	0	0
sub-total	100,000	0	0	0
CAPITAL OUTLAY				
4850 Vehicles	0	0	0	0
4870 Machinery & Equipment	0	0	0	0
sub-total	0	0	0	0
TOTAL	7,524,061	256,700	6,000	45,500

213-250 Public Art HCD Fund	295 Housing Authority	400/405 Water Fund	450 Sewer Fund	350/500 TASP/Eqmt Replacement	Adopted 2019-20
0	0	25,000	25,000	0	700,000
0	0	3,750	3,750	0	37,500
0	0	1,700	1,700	0	33,400
0	0	1,500	1,500	0	30,000
0	0	45,100	45,100	0	902,000
0	0	0	0	0	(777,236)
0	0	100,000	70,000	0	1,000,000
0	0	177,050	147,050	0	1,925,664
0	0	0	0	0	0
0	0	0	0	0	443,747
0	0	0	0	0	168,000
0	0	750	750	0	15,000
297,500	69,850	1,450	10,000	0	485,900
7,000	0	12,500	12,500	0	103,000
5,000	20,000	0	0	0	25,000
0	0	0	0	0	209,091
0	0	20,000	50,000	0	300,000
0	0	25,000	70,000	0	170,000
0	0	9,000	9,000	0	225,000
0	0	625,000	250,000	0	2,500,000
0	5,000	121,500	27,000	0	1,359,000
0	0	11,760,000	0	0	11,760,000
0	0	5,660,000	0	0	5,660,000
0	5,000	0	0	0	5,000
0	0	1,440,000	0	0	1,440,000
0	0	0	7,045,200	0	7,045,200
0	0	0	0	0	0
0	0	3,000	3,000	0	30,000
0	748	51,133	154,645	73,581	875,616
0	0	56,250	52,500	0	165,000
0	0	0	0	0	1,100,000
309,500	100,598	19,785,583	7,684,595	73,581	34,084,554
0	0	225,225	852,438	0	1,177,663
0	0	0	180,600	75,000	255,600
0	0	225,225	1,033,038	75,000	1,433,263
0	0	0	0	773,160	773,160
0	0	0	0	200,000	200,000
0	0	0	0	973,160	973,160
309,500	100,598	20,187,858	8,864,683	1,121,741	38,416,641

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City of Milpitas
2019-24 CAPITAL IMPROVEMENT PROGRAM
GRAND SUMMARY

Project Expenses	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Community Improvement	9,184,000	20,000,000	5,895,000	8,480,000	32,795,000	76,354,000
Park Improvement	8,455,000	6,425,000	7,745,000	23,750,000	21,275,000	67,650,000
Street Improvement	6,977,415	23,363,000	6,158,000	5,733,000	40,123,000	82,354,415
Water Improvement	8,824,260	17,556,500	29,300,800	22,190,850	34,980,000	112,852,410
Sewer Improvement	28,540,050	14,274,799	6,385,104	9,159,263	5,747,885	64,107,101
Storm Drain Improvement	505,000	6,170,000	13,295,000	6,020,000	0	25,990,000
Total	62,485,725	87,789,299	68,778,904	75,333,113	134,920,885	429,307,926
Funding Sources	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Gas Tax Fund	5,195,000	4,060,090	3,314,515	3,020,000	3,020,000	18,609,605
General Government CIP Fund	5,975,000	3,145,000	0	0	0	9,120,000
Midtown Park Fund	1,475,000	525,000	225,000	225,000	225,000	2,675,000
Park Fund	(1,100,000)	0	0	0	0	(1,100,000)
Sewer Fund	(100,000)	0	0	0	0	(100,000)
Sewer Infrastructure Fund	2,150,000	4,674,759	5,765,589	9,159,263	0	21,749,611
Sewer Treatment Fund	1,200,000	0	750,000	0	4,547,885	6,497,885
Water Line Extension Fund	200,000	0	0	1,015,000	25,000	1,240,000
Storm Drain Fund	1,505,000	1,170,000	895,000	0	0	3,570,000
TASP Impact Fees	9,385,000	13,735,000	750,000	7,695,000	78,910,000	110,475,000
LLMD	108,000	108,000	108,000	108,000	108,000	540,000
Vehicle Registration Fee	500,000	500,000	500,000	500,000	500,000	2,500,000
Community Planning Fees	500,000	0	0	0	0	500,000
Water Capital Surcharge	324,260	2,356,500	4,258,800	7,670,850	3,655,000	18,265,410
Permit Automation Fund	1,500,000	250,000	150,000	0	0	1,900,000
Community Benefit Fund	0	250,000	0	0	0	250,000
Measure B	1,489,415	1,380,000	1,380,000	1,380,000	1,380,000	7,009,415
Sub Total	30,306,675	32,154,349	18,096,904	30,773,113	92,370,885	203,701,926
External Financing	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Grants/Reimb./Developer Fees	(411,000)	0	500,000	0	0	89,000
Sanitary Sewer Bonds	25,190,050	9,809,950	0	0	0	35,000,000
Water Bonds	7,400,000	8,500,000	4,100,000	0	0	20,000,000
Revenue Bond	0	12,800,000	200,000	0	0	13,000,000
Sub Total	32,179,050	31,109,950	4,800,000	0	0	68,089,000
Unidentified	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Unidentified Funding	0	24,525,000	45,882,000	44,560,000	42,550,000	157,517,000
Total	62,485,725	87,789,299	68,778,904	75,333,113	134,920,885	429,307,926

NOTES

- (1) FY2019-20 includes \$25,190,050 payment to SJ/SC for portion of improvements to wastewater treatment plant.
- (2) FY2019-20 includes \$9,020,000 in TASP Impact Fee reimbursements to Developers for infrastructure improvements.
- (3) FY2019-20 includes \$200,000 in Gas Tax payment to VTA for City share of SR237 HOV Improvements.
- (4) Total value of projects to be delivered in FY2019-20 is \$28,075,675.

Community Improvement Projects

The Community Improvement category funds a total of eighteen projects, including five new projects:

Project Number-Name

Description

Operating Budget Impact

2006 - Transit Area Specific Plan Update

The Transit Area Specific Plan (TASP) was approved in 2008. There have been minor amendments to TASP focused primarily on individual properties, but no comprehensive evaluation of the plan and the effectiveness of its implementation has been made. Approximately 95% of the housing planned and cleared under CEQA for the area have been entitled or constructed. Approximately 50% of retail uses and none of the office have been developed. An evaluation of development projects proposed, entitled, or constructed; processes and regulations for development; changes to the land use diagram; and remaining development capacity should be undertaken. This project will include an update to the TASP EIR to provide environmental clearance for additional residential development.

Operating Budget Impact: None

2010 – Land/Right-of-Way Value Determination (New)

This project will provide for the annual evaluation and determination of land and right-of-way fair market values within the City for the purpose of updating development fee calculations such as the park-in-lieu fee.

Operating Budget Impact: None

2011 – Transit Area Police Substation (New)

This project provides for an available commercial space within the Transit Area Specific Plan (TASP) area including tenant improvements and equipment to construct a new police substation.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

3403 – Fire Station Improvements

This project provides various minor improvements to fire stations including renovation or replacement of electrical and mechanical systems, HVAC systems, plumbing, parking lot repairs, emergency power generator systems, interior and exterior painting, replacement of floor coverings, restroom and shower facilities, kitchen improvements, reroofing and other building and site related improvements. All work will be performed on a priority and funding availability basis.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3406 - City Building Improvements

This project provides for repair, renovation, replacement, and improvements at City buildings including public works, police, senior center, community center, City Hall, library, parking garage, and the sports center. Work may include electrical and mechanical systems, pool equipment, motors/pumps, fountain repairs, leak repairs, emergency power, HVAC systems, painting, carpeting, code upgrades, space planning, interior remodels, replacement of City Hall desk tops, and other related improvements. Work may also include energy savings improvements, such as replacement of lighting fixtures with energy saving fixtures, and installation of a more efficient climate controls systems. Work will be completed on a priority and funding availability basis.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3418 – City Std. Details, Guidelines, & Specs.

This project provides for the update of the City's Engineering Standard Details, Guidelines, and Specifications document. This document provides minimum requirements for new public infrastructure constructed within the City. The Engineering Guidelines describe requirements and improvements for new developments constructed within the city.

Operating Budget Impact: None

3421 - Replacement Fire Station Alert System

This project provides for installation of new dispatch systems at all four fire stations including coordination and interface with the city's 911 dispatch center. The current Fire Department emergency dispatch alert system is 17 years old with an expected life span of 20 years. The manufacturer of the Departments current system (Zetron) will no longer support the system.

Operating Budget Impact: None

3422 - City Buildings Roofing Repairs

This project provides for roof repairs and replacements at City Buildings. Typically, a roof has a 20-year life. Repairs or replacements are required to prevent damages caused by moisture infiltration.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

3427 - Technology Projects

This project provides for ongoing technology improvements and modernization to various City Departments for software and hardware specialty applications and upgrades. Project would include improvements to budget preparation software systems, citywide Geographic Information System (GIS) upgrades, network infrastructure, and the Engineering Divisions document management/record management/archival system and project tracking system.

Operating Budget Impact: None

3428 - Shuttle Study

This project funds a study to provide a citywide shuttle system. The study will explore the most effective routes, locations, times, types of partnerships, system costs, implementation schedule, budget, and funding opportunities.

Operating Budget Impact: None

3434 - Permitting Technology Improvement

This ongoing project will provide enhancements to the existing Building and Engineering Departments' permitting automation system and will provide improvement to the electronic construction drawing submittal process used by City staff for permit issuance and fee collection in accordance with codes such as the California Building Code. Improvements will be made to the submission process, review, storage, and archival of different file formats. The project will streamline the presentation and retrieval of documents to the web and will ensure that systems operate efficiently for better customer service.

Operating Budget Impact: None

3436 - City Building ADA Compliance Review

This project will provide for the review of all City Buildings constructed prior to 2000 to confirm compliance with access requirements in accordance with the Americans with Disabilities Act (ADA), and to identify any deficiencies and recommend improvements.

Operating Budget Impact: None

3438 - Annual Tree Replacement Program

This project provides for the replacement of trees in areas where existing City trees are aging significantly and require replacement. The program will enhance the City's urban forest inventory, which includes over 15,000 City owned trees.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

3447 - Fire Station #2 Replacement

This project provides for the design and construction of a new replacement Fire Station #2. Fire Station #2, located on Yosemite Drive, was constructed in the late 1960's and has exceeded it's design life. The new fire station will be designed to meet the current "Essential Services Buildings" requirements as well as current Building and Fire Codes. It will be designed to provide for an additional Fire Apparatus bay as well as providing sustainable elements, gender equality/privacy, and operational efficiencies to improve response times. Work also includes construction of a temporary fire station, building demolition, site cleanup, furnishings, fixtures, & equipment (FF&E), and new site improvements.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3453 – Climate Action Plan Update (New)

This project provides an update to the Climate Action Plan (CAP) adopted by the City in 2013 and includes development and implementation of outreach and community engagement programs. CAP serves as the Greenhouse Gas (GHG) reduction strategy to meet the State's GHG reduction target by year 2020. Since the adoption of CAP, legislation was passed setting new mid and long-term Statewide emissions targets (40% reduction below 1990 levels by 2030; 80% reduction by 2050).

Operating Budget Impact: None

3456 - Community Center Building Assessment (New)

This project provides for the study and assessment of the Community Center building to address building safety and staff comfort and livability issues. The assessment study will review both the interior and exterior of the structure and provide recommendations for repairs and improvements to address structural problems; weather proofing; ADA access; electrical; plumbing; restroom and kitchen improvements; mechanical and HVAC upgrades; security; parking; lighting; window treatments; carpet and flooring replacement, desk, counter, furniture; fixtures; and equipment replacement.

Operating Budget Impact: None

3459 – ALPRs and Security Cameras (New)

This project will enable the Milpitas Police Department (PD) to install fixed video camera systems and automated license plate readers (ALPRs) to protect the community and critical infrastructure. The video camera systems and ALPRs will be placed at strategic points of ingress and egress within the City, high crime areas, and the Milpitas BART station in an effort to address criminal activity.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

3716 - City Parking Lot Rehabilitation Program

This project provides for the rehabilitation of City owned parking lots at City Buildings including City Hall; Public Works, Police Department; Community Center; Barbara Lee Senior Center; Fire Stations; and Utility Pump Stations.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

NUMBER	PROJECT TITLE	APPROVED
351- 2006	Transit Area Specific Plan Update	300,000
351- 2010 *	Land Right-of-Way Value Determination	20,000
351- 2011 *	Transit Area Police Substation	310,000
331- 3403	Fire Station Improvements	725,000
331- 3406	City Building Improvements	1,050,000
331- 3418	City Std. Details, Guidelines, & Specs.	200,000
331- 3421	Replacement Fire Station Alert System	30,000
331- 3422	City Buildings Roofing Repairs	200,000
331- 3427	Technology Projects	400,000
331- 3428	Shuttle Study	20,000
331- 3434	Permitting Technology Improvement	150,000
331- 3436	City Building ADA Compliance Review	50,000
331- 3438	Annual Tree Replacement Program	329,000
331- 3447	Fire Station #2 Replacement	4,300,000
331- 3453 *	Climate Action Plan Update	200,000
331- 3456 *	Community Center Building Assessment	150,000
331- 3459 *	ALPRs and Security Cameras	500,000
341- 3716	City Parking Lot Rehabilitation Program	250,000
TOTAL COST		<u>9,184,000</u>

AVAILABLE FINANCING SOURCE:

General Government CIP Fund	7,025,000
Permit Automation Fund	1,500,000
TASP Impact Fees	630,000
Grants/Reimb./Developer Fees	(471,000)
Community Planning Fees	500,000
TOTAL AVAILABLE	
	<u>9,184,000</u>

* New Project

Park Improvement Projects

The Park Improvement category funds a total of eight projects, including three new projects:

Project Number-Name

Description

Operating Budget Impact

2005 - Lower Penitencia Creek Pedestrian Bridge

This project provides for the design and construction of a new pedestrian bridge over Lower Penitencia Channel adjacent to the Centre Pointe residential development and will provide connection to the City's McCandless Park site.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

2012 - (Rmb) TASP Linear Trails (New)

This project provides for reimbursement to developers to complete remaining linear trail segments per the Transit Area Specific Plan (TASP).

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

2013 - (Rmb) Trade Zone/Montague Park – North (New)

This project provides for a new city linear park north of Penitencia Creek at new South Milpitas Blvd Extension. Developer will construct the park as part of their developments, and project provides reimbursement to developer for park construction. Park is currently under construction.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

3424 - Citywide Park Playground Rehabilitation

This project provides for the assessment and rehabilitation of citywide park playgrounds needing minor improvements such as additional fill material to meet fall attenuation, surface improvement, equipment modification, and signage improvement. The project also provides for improvements to park amenities such as lighting, minor pathways and other amenities including restrooms, snack shacks, etc.

Operating Budget Impact: None

5110 - Sandalwood Park Renovation

This project provides for the design and construction of improvements at Sandalwood Park. Improvements include picnic and playground area renovation, ADA access and path improvement, renovation of irrigation and landscaping, and installation of a public restroom.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

5112 - Carlo Park

This project provides design and construction of a new park on an undeveloped 5,200 square foot City-owned parcel at the south-west corner of South Main Street and Carlo Street. The parcel is an opportunity to provide for a small park with ADA pathway, landscaping, irrigation, bench(s) and interpretive displays.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

5113 - Minor Sports Courts Rehabilitation

This project provides for the analysis and implementation of various minor rehabilitation improvements for the City's tennis, basketball, and other miscellaneous courts within the City.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

5115 - Parks and Recreation Master Plan Update (New)

This project provides an update to the 2008 Parks and Recreation Master Plan to include Transit Area Specific Plan (TASP) Parks, Midtown Parks, and City recreational facilities. The update will include a strategic plan to provide high-quality accessible parks and recreation facilities, and to plan for future growth in the city.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	APPROVED
351- 2005	Lower Penitencia Creek Pedestrian Bridge	160,000
351- 2012 *	(Rmb) TASP Linear Trails	3,270,000
351- 2013 *	(Rmb) Trade Zone/Montague Park - North	3,100,000
331- 3424	Citywide Park Playground Rehabilitation	75,000
321- 5110	Sandalwood Park Renovation	150,000
321- 5112	Carlo Park	875,000
321- 5113	Minor Sports Courts Rehabilitation	225,000
321- 5115 *	Parks and Recreation Master Plan Update	600,000
TOTAL COST		<u>8,455,000</u>

AVAILABLE FINANCING SOURCE:

Park Fund	(1,100,000)
Midtown Park Fund	1,475,000
TASP Impact Fees	6,770,000
General Government CIP Fund	1,250,000
Grants/Reimb./Developer Fees	60,000
TOTAL AVAILABLE	
	<u>8,455,000</u>

* New Project

Street Improvement Projects

The Street Improvement category funds a total of twenty-five projects, including twelve new projects:

Project Number-Name

Description

Operating Budget Impact

2008 - Montague Ped. Overcrossing at Piper Dr.

This project provides for the construction of a pedestrian overcrossing (POC) over Montague Expressway at Piper Drive. The pedestrian overcrossing is part of the Transit Area Specific Plan (TASP) circulation infrastructure improvement that provides safe and convenient pedestrian circulation between the Milpitas BART station, Great Mall and surrounding residential developments.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

2015 - (Rmb) S. Milpitas Imprv - Gibraltar to UPRR (New)

The project provides surface improvements (2" grind and overlay) on South Milpitas Blvd. from Union Pacific Railroad (UPRR) tracks to Gibraltar Drive.

Operating Budget Impact: None

2016 - S. Milpitas Blvd. Veh. Bridge at Penitencia (New)

This project provides for a vehicular bridge over Penitencia Creek at the end of S. Milpitas Blvd. Extension. The vehicular bridge is part of the Transit Area Specific Plan (TASP) circulation infrastructure improvement to provide vehicular, bicycle and pedestrian connectivity between TASP developments, Milpitas BART station, and the Great Mall. The project includes the vehicular bridge, roadways connecting to the bridge at the southerly landing, and utility relocations.

Operating Budget Impact: None

2017 - TASP On-Street Parking Program (New)

This project provides for a Transit Area Specific Plan (TASP) area on-street parking program including installation of time limited parking signage within 0.5 mile of Milpitas BART station. The goal of the project is to encourage on-street parking supply turnover around Milpitas BART station so that nearby residents and the public have parking opportunities to access nearby parks and retail destinations, and discourage BART commuters from occupying on-street parking for prolong periods of the day.

Operating Budget Impact: None

2018 - Montague Ped. Overcrossing at Penitencia

This project provides for design and construction of a pedestrian overcrossing (POC) over Montague Expressway at the east levee of Penitencia Creek. The pedestrian overcrossing is part of the Transit Area Specific Plan (TASP) circulation infrastructure improvement to provide safe and convenient pedestrian circulation between TASP residential developments, schools, and park sites.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

2021 - Costa Street Plan Line Study (New)

This project provides for the preparation of a Plan Line Study to evaluate the extension of Costa Street to connect to South Abel and South Main Street in the Transit Area Specific Plan (TASP) area. The study will evaluate right-of-way, adjacent property access, emergency vehicle access, pedestrian circulation, and streetscape opportunities.

Operating Budget Impact: None

2022 - Feasibility of POCs at VTA Light Rail Platforms (New)

The project will provide a feasibility study to determine the possibility of constructing pedestrian overcrossings (POC's) at Valley Transportation Authority (VTA) Light Rail Platforms over eastbound lanes of Great Mall Parkway near South Main Street and at E. Capital Avenue.

Operating Budget Impact: None

3402 - McCarthy Blvd. LLMD Improvement

This project provides for design and construction of landscape and irrigation system renovation on McCarthy Boulevard, between Hwy 237 and Dixon Landing Road.

Operating Budget Impact: None

3411 - Sinclair LLMD Improvements 98-1

This project provides for design and construction of landscape and irrigation system renovation of 98-1 Landscape, Lighting, and Maintenance District (LLMD), surrounding the Sinclair Horizon Development.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3426 - Annual Sidewalk, Curb & Gutter Repair

This project provides annual funding for the replacement of damaged or raised sidewalks, curbs, gutters, and minor asphalt patching throughout the City. The scope of work includes administration, verification of locations to be repaired or replaced, completing necessary repairs, ongoing inspection of City sidewalk, curbs and gutters.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3430 - Midtown Street Light Project

This project provides for the installation of Midtown decorative street lighting and signal improvements along South Main Street from Carlo Street to Great Mall Parkway. The project will be completed in phases. Conceptual cost estimates for the different project phases include: Carlo to Corning is \$2.2M; Curtis to Great Mall Parkway is \$2M; and Corning to Curtis is \$2.7M. The Carlo to Corning phase would be completed once the Midtown Specific Town Update is completed. The Corning to Curtis phase would be completed after PG&E Rule 20A undergrounding of overhead utilities. Estimates are conceptual and actual construction cost will be developed during design phases.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3440 - Annual Street Light, Signal, and Signage

This project provides for the repair and replacement of damaged, destroyed, or vandalized street lights, and includes the repair or replacement of copper wiring, street lights, street light poles, signal lighting, signal poles, traffic/pedestrian safety devices, signal battery backup system replacements, and related appurtenances.

Operating Budget Impact: None

3449 - Street Landscape Irrigation Repair

This project provides for the repair and replacement of streetscape and median irrigation systems and related equipment on City streets.

Operating Budget Impact: None

3454 - Enhanced Crosswalk Striping and Beacons (New)

This project provides for installation of high visibility crosswalk striping and pedestrian actuated flashing beacons to facilitate safer pedestrian crossings at high vehicle and pedestrian volume intersections. Anticipated locations will be along school routes.

Operating Budget Impact: None

3455 - Pilot Street Sweeping Program (New)

This project provides for a Pilot Street Sweeping Program to target one neighborhood in the city to explore more effective measures for street sweeping.

Operating Budget Impact: None

3458 - Radar Speed Feedback Signage (New)

This project provides for installation of 20 radar speed feedback signage as a traffic calming measure on various city streets to reduce vehicle speed and to improve safety for motorists, pedestrians, and cyclists.

Operating Budget Impact: None

4281 - TASP Underground Utility District

This project provides for the creation of new Underground Utility District (UUID) #7 within the City's Transit Area Specific Plan redevelopment area. The purpose of the district is to allow Pacific Gas & Electric Company (PG&E) to underground existing overhead electric, PG&E, Cable TV, and communication utilities. The new district would be administered by the City with the undergrounding design and construction to be completed by PG&E using the City's Rule 20A funds. The City has approximately \$5.2M in available PG&E Rule 20A funds for use with this project.

Operating Budget Impact: None

4283 - ADA Curb Ramp Transition Program

This mandatory program involves citywide replacement or upgrade of existing curb ramps to current standard Americans with Disabilities Act (ADA) compliant ramps. The project will also include the construction of minor segments of new sidewalk to close gaps between sidewalks on public streets in order to meet the requirements of the Title II of the ADA, and to allow the City to be eligible for future Federal transportation aid funds. An annual assessment will be conducted to determine and establish a priority list of candidate sites for replacement or upgrade based on pedestrian activity, public request, and field inspection. The target program completion date for citywide ADA public street curb ramp compliance is 2040.

Operating Budget Impact: This project is a Federal mandate to meet Title II of the ADA. However, the amount is expected to be small.

4290 - Annual Bridge Rehabilitation

The project provides for the repair and rehabilitation of City owned bridges. The city owns and maintains eighteen roadway bridges and five pedestrian/bicycle bridges. They require ongoing repair and rehabilitation including deck resurfacing, crack sealing, guard rail repairs and work identified in the bi-annual bridge inspection reports performed by the California Department of Transportation.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

4291 - Street Resurfacing Project 2018-19

This project provides for roadway pavement repair including overlay and reconstruction. Streets are selected for improvement based on the City's Pavement Management System to optimize the pavement condition rating and use of funding.

Operating Budget Impact: None

4293 - Citywide Traffic Safety Assessment (New)

This project provides for a citywide traffic safety assessment to determine where enhanced safety measures such as traffic calming elements maybe required. Focus areas include intersections with high pedestrian traffic, bike routes, and residential areas.

Operating Budget Impact: None

4294 - SR237 HOV Lane Improvements (New)

This project provides for traffic flow improvements on State Route (SR) 237 at McCarthy Blvd. Improvements may include a high-occupancy vehicle (HOV) lane at the westbound on-ramp, HOV lane on the Calaveras Blvd. slip ramp, and/or a new traffic study.

Operating Budget Impact: None

4295 - Street Pavement Restriping (New)

This project provides for the replacement and striping of pavement legends, markers, lane lines, and cross-walk striping to enhance public safety and to maintain the City's infrastructure.

Operating Budget Impact: None

4296 - Street Resurfacing Project 2019-20

This project provides for roadway pavement repair including overlay and reconstruction. Streets are selected for improvement based on the City's Pavement Management System to optimize the pavement condition rating and use of funding.

Operating Budget Impact: None

4297 - Citywide Traffic Modeling (New)

This project will create a citywide traffic operation model (current and 10 year horizon) to assess motor vehicle traffic level-of-service at key roadway corridors and intersections. The model will be used to evaluate potential roadway improvements to improve level-of-service in the city.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	APPROVED
351- 2008	Montague Ped. Overcrossing at Piper Dr.	(2,700,000)
351- 2015 *	(Rmb) S. Milpitas Imprv - Gibralter to UPRR	850,000
351- 2016 *	S. Milpitas Blvd. Veh. Bridge at Penitencia	1,025,000
351- 2017 *	TASP On-Street Parking Program	330,000
351- 2018	Montague Ped. Overcrossing at Penitencia	1,010,000
351- 2021 *	Costa Street Plan Line Study	125,000
351- 2022 *	Feasibility of POCs at VTA Light Rail Platform	200,000
331- 3402	McCarthy Blvd. LLMD Improvement	85,000
331- 3411	Sinclair LLMD Improvements 98-1	23,000
331- 3426	Annual Sidewalk, Curb, and Gutter Repair	350,000
331- 3430	Midtown Street Light Project	(2,350,000)
331- 3440	Annual Street Light, Signal, and Signage	150,000
331- 3449	Street Landscape Irrigation Repair	150,000
331- 3454 *	Enhanced Crosswalk Striping and Beacons	500,000
331- 3455 *	Pilot Street Sweeping Program	500,000
331- 3458 *	Radar Speed Feedback Signage	200,000
311- 4281	TASP Underground Utility District	245,000
311- 4283	ADA Curb Ramp Transition Program	300,000
311- 4290	Annual Bridge Rehabilitation	175,000
311- 4291	Street Resurfacing Project 2018-19	9,415
311- 4293 *	Citywide Traffic Safety Assessment	400,000
311- 4294 *	SR237 HOV Lane Improvements	200,000
311- 4295 *	Street Pavement Restriping	200,000
311- 4296	Street Resurfacing Project 2019-20	4,600,000
311- 4297 *	Citywide Traffic Modeling	400,000
TOTAL COST		<u>6,977,415</u>

AVAILABLE FINANCING SOURCE:

Gas Tax Fund	5,195,000
Vehical Registration Fee	500,000
TASP Impact Fees	1,085,000
LLMD	108,000
Sewer Fund	(100,000)
General Government CIP Fund	(1,300,000)
Measure B	1,489,415
TOTAL AVAILABLE	
	<u>6,977,415</u>

* New Project

Water Improvement Projects

The Water Improvement category funds a total of twelve projects, including one new project:

Project Number-Name

Description

Operating Budget Impact

2019 - (Rmb) TASP Recycled Water Distribution (New)

The project will provide reimbursement to developers for the construction of extensions of recycled water lines in the Transit Area Specific Plan (TASP) area as part of the City's efforts to diversify the water supply system and offset the use of potable water with recycled water mainly for irrigation purposes. New main recycled lines are to be installed along Great Mall Parkway, East Capitol Avenue, Montague Expressway, South Milpitas Boulevard, McCandless Drive, Sango Court, Tarob Court, and the Piper/Montague subdistrict.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

2020 - SCVWD Zone 1 Pressure Red. Valve

This project will provide a Pressure Reducing Valve (PRV) within the TASP area to ensure water system operational redundancy. Two pressure reducing valves within the TASP area regulate water pressure from the SCVWD Zone 2 service area into the Zone 1 service area (Curtis PRV and Capitol PRV). The Capitol PRV reached the end of its useful life and was replaced by the BART project.

Operating Budget Impact: None

7076 - Well Upgrade Project

This project provides for well upgrades including recommendations from the Water Supply Augmentation Study. Project includes the installation of a new well and potable water treatment facility at the City's McCandless Park site to serve the Midtown and Transit Area Specific Plan (TASP) areas. Future project phases will complete well buildings, pumps, control equipment, water treatment, piping, and back-up power for Pinewood and Curtis Wells.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

7110 - Hydrant Replacement Program

This project involves replacement of hydrants in the Manor, Sunnyhills, and Milford neighborhoods. Other locations may include Calaveras Blvd, Park Victoria and Jacklin Road. Additional work may include replacement of the water valve for the hydrant.

Operating Budget Impact: None

7117 - Abel Street Pipeline Extension

This project installs 300 linear feet of 12-inch pipe to connect three "deadend" pipes, one on Abel Street and two on Carlo Street. This improvement will improve water pressure and water quality through improved system circulation.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

7118 - Dempsey Road Water Line Replacement

This project replaces approximately 1,000 linear feet of 12" diameter cast iron pipe along Dempsey Rd. between Los Coches Creek and Yosemite Dr. The pipe line was installed in the 1950's and has reached the end of its useful life.

7121 - Automated Meter Replacement Program

The project provides for replacement or retrofit of all City water meters with automated remote reading meters. The Citywide replacement program of existing water meters will be implemented in phases.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

7127 - Water Supervisory Control & Data Acquisition

A water system Supervisory Control and Data Acquisition System (SCADA) provides real-time data, such as water tank level, pump operational status, system pressure, and flow rates to water system operators. Operators can use this data to identify operational problems, such as high velocities and low pressures, pressure spikes, which are indicators of pipe breaks. SCADA also allows for remote monitoring and operation of pumps and valves to implement corrective actions and maintain water supply.

Operating Budget Impact: None

7129 - Recycled Water Pipeline Segment 1

This project provides for the extension of recycled water lines as part of the City's efforts to diversify the water supply system and respond to the ongoing drought emergency by offsetting the use of potable water. The project is divided into five segments. Segment 1 provides for the extension of the pipeline in Los Coches Street under Berryessa Creek, and I-680 to Dempsey Road.

Operating Budget Impact: None

7133 - Minor Water Projects

This on-going project involves the analysis and implementation of various water projects which arise during the year. This project also provides for on-going modifications and improvements to existing water system including enhancing security at various water facilities.

Operating Budget Impact: None

7135 - Water Leak Detection & Condition Assessment Program

A citywide leak detection program is required to identify where leaks are occurring in the system in order to reduce the volume of water lost. The program will include the real-time monitoring of leaks through the deployment of acoustic loggers and pressure transients, and other techniques and technologies that become available. This program will also fund the completion of pipeline condition assessments and field verification of critical segments of the water system to evaluate the remaining useful life of water pipelines.

Operating Budget Impact: None

7136 - Water Master Plan 2019

This project provides for the evaluation, study, and preparation of the City's Water Master Plan document. The water master plan is a comprehensive study that defines the City's strategy for providing a reliable and sustainable future water supplies. The document would guide the City's decisions on water infrastructure investments over the next 20 years. The document will incorporate miscellaneous general plan amendments and Transit Area Specific Plan (TASP) needs. The document also identifies deficiencies in the water system, recommends corrective actions, prioritizes improvements, and provides budgetary cost estimates.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	APPROVED
351- 2019 *	(Rmb) TASP Recycled Water Distribution	800,000
351- 2020	SCVWD Zone 1 Pressure Red. Valve	100,000
401- 7076	Well Upgrade Project	3,500,000
401- 7110	Hydrant Replacement Program	74,260
401- 7117	Abel Street Pipeline Extension	500,000
401- 7118	Dempsey Road Water Line Replacement	3,250,000
401- 7121	Automated Meter Replacement Program	2,900,000
401- 7127	Water Supervisory Control & Data Acquisition	1,000,000
401- 7129	Recycled Water Pipeline Segment 1	(3,750,000)
401- 7133	Minor Water Projects	100,000
401- 7135	Water Leak Detection and Condition Assessment	150,000
401- 7136	Water Master Plan 2019	200,000
TOTAL COST		<u>8,824,260</u>
AVAILABLE FINANCING SOURCE:		
Water Line Extension Fund		200,000
TASP Impact Fees		900,000
Water Capital Surcharge		324,260
Water Bonds		7,400,000
TOTAL AVAILABLE		<u>8,824,260</u>

* New Project

Sewer Improvement Projects

The Sewer Improvement category funds a total of seven projects:

Project Number-Name

Description

Operating Budget Impact

6118 - SJ/SC Regional Waste Water Facility

The City of Milpitas pumps our sewage to the San Jose/Santa Clara Regional Waste Water Facility for waste water treatment before it can be discharged into the San Francisco Bay. This project will fund Milpitas's share of the facilities rehabilitation costs. The facility was originally constructed in 1956 and is reaching the end of its useful life and is in need of a complete overhaul. The City of San Jose which operates the facility is undergoing a large rehabilitation project to completely overhaul the facility over the next 30 years. The City of Milpitas uses approximately 7% of the facility and will be responsible for 7% of the estimated \$2 billion or \$140 million in improvements that will be made over the next 30 years.

Operating Budget Impact: Per the City of San Jose, the improvements are expected to reduce operations and maintenance liabilities. The impact to the operating budget will be dependent on the technology chosen, operating approach, and the start-up schedule. Engineering estimate has not been completed, as such amount is unknown at this time.

6119 - Sanitary Sewer Condition Assessment Prgm

A citywide condition assessment program is needed to determine the condition of the City's sanitary sewer system.

Operating Budget Impact: The Impact to the operating budget will be dependent on the technology chosen, operating approach, and the start-up schedule. Engineering estimate has not been completed, as such amount is unknown at this time. Maintenance cost will Increase based on the assessment.

6124 - Sewer Pump Station Rehab. Program

This program shall provide safe discharge and flow of sewage through the City's two wastewater pump stations. This includes pump rehabilitation, major repair and/or purchase of new wastewater pumps at both Main Lift Station and Venus Lift Station. This program shall include rotational assessment of the City's six wastewater pumps, including peripheral equipment replacement such as electrical control, flow equipment (flow meters), variable frequency drives and grinders.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

6126 - Minor Sewer Projects

This project provides ongoing analysis, engineering, and implementation of various minor modifications and improvements to existing sewer systems.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

6130 - Main Lift Station Odor Emissions Control

This project will construct odor emission control at the Main Lift Station to address concerns regarding elevated levels of hydrogen sulfide and other odorous compounds at the facility.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

6131 - Sanitary Sewer Cathodic Protection Improv

This project provides for the evaluation, study, and installation of corrosion monitoring stations and equipment to protect buried City metallic pipelines, and to provide recommendations for retrofit or anode replacement. The project will provide for upgrade and improvement of system deficiencies defined in the evaluation study. Soils within the City have been found to be highly corrosive and are detrimental to metallic pipelines. Cathodic protection systems use sacrificial anodes and other means to protect the metal pipeline.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

6132 - Sewer Master Plan 2019

This project provides for the update of the City's Sewer Master Plan document to incorporate miscellaneous general plan amendments, Transit Area Specific Plan (TASP) needs, and to provide CEQA environmental clearance. The update will identify deficiencies in the collection system and recommend corrective actions.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	APPROVED
451- 6118	SJ/SC Regional Waste Water Facility	25,190,050
451- 6119	Sanitary Sewer Condition Assessment Prgm	50,000
451- 6124	Sewer Pump Station Rehab. Program	100,000
451- 6126	Minor Sewer Projects	50,000
451- 6130	Main Lift Station Odor Emissions Control	1,950,000
451- 6131	Sanitary Sewer Cathodic Protection Improv	900,000
451- 6132	Sewer Master Plan 2019	300,000
TOTAL COST		<u>28,540,050</u>

AVAILABLE FINANCING SOURCE:

Sewer Treatment Fund	1,200,000
Sanitary Sewer Bonds	25,190,050
Sewer Infrastructure Fund	2,150,000
TOTAL AVAILABLE	<u>28,540,050</u>

* New Project

Storm Improvement Projects

The Storm Drain Improvement category funds a total of three projects, including one new project:

Project Number-Name

Description

Operating Budget Impact

3700 - Storm Drain System Rehabilitation

Project provides for storm drain system repairs at various locations and wetland riparian mitigation and maintenance work at Wrigley-Ford and Ford Creeks. Remaining project funding will be used for annual inspections, maintenance, and submission of monitoring reports required by State permits.

Operating Budget Impact: The improvements are expected to reduce maintenance costs. However, cost savings amount has not been determined at this time.

3709 - Dempsey Road Storm Drain Replacement

The work includes replacement of Dempsey Road storm drain pipelines and installation of two outfalls in Los Coches Creek at Dempsey Road. Project will construct a 36 inch diameter pipe within Dempsey Road between South Park Victoria and Los Coches Creek, approximately 1,100 linear feet.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

3718 - Storm Supervisory Control & Data Acquisition (New)

A Supervisory Control and Data Acquisition System (SCADA) provides real-time data, such as wet well level and pump operational status to utility systems operators. Currently operators rely on unsophisticated alarms and must drive to sites to evaluate the problem and implement corrective action, such as starting a back-up pump or generator, when the main pumps fail.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	APPROVED
341- 3700	Storm Drain System Rehabilitation	45,000
341- 3709	Dempsey Road Storm Drain Replacement	260,000
341- 3718 *	Storm Supervisory Control & Data Acquisition	200,000
TOTAL COST		<u>505,000</u>

AVAILABLE FINANCING SOURCE:

Storm Drain Funds	1,505,000
General Government CIP Fund	(1,000,000)
TOTAL AVAILABLE	<u>505,000</u>

* New Project

Budget and Budgetary Accounting

What is the City Budget?

Every year the City Council adopts a Budget and Financial Plan for the next fiscal year, (the City's fiscal year runs from July 1 of one year through June 30 of the next year). The Budget is the City's business and financial plan for the year.

The two purposes of the Budget are: (1) to set goals, objectives, and service levels for the City to meet during the next year (thus insuring the provision of City services to Milpitas residents); and (2) to estimate and allocate the money the City will take in and spend during the year.

In many ways the City's Budget is like a household budget. Every year we sit down and estimate what we think our income will be for the coming year, and make plans on how to spend and save this income. There are some key differences, however, between the City and a household budget. Our income (called revenue) can fluctuate substantially within a given year or from year to year. It is not like having a known paycheck to spend or save. There are very few sources of income over which the City has direct control. For example, we have no control over property tax revenue; it can fluctuate depending on the number of homes sold in the community and the amount of building activity. The level of building activity also impacts other sources of revenue such as building permit fees. These are revenues that have a somewhat direct relationship with the general state of our economy. The economy also affects another major source of income -- sales tax -- which depends on the amount of goods people buy in our community.

We have a little more certainty and control over how much money we spend, but even that has some impacts and restrictions which reduce our flexibility. The federal government and state government require we make additional expenses, such as Medicare contributions and require methods of compensating for overtime mandated by federal law. In addition, we do not, in most cases, have the ability to stop doing things simply because we do not have the income. Police and fire protection are good examples. Even if revenue decreases substantially, we still need to be able to staff the fire stations and provide a minimum level of police patrol services.

It is important to remember that the numbers in the Budget are estimates. Many things happen during the year that impact our income and spending. However, we try to budget as best we can. We try very hard to estimate revenues realistically but also conservatively enough to insure that there are adequate funds to meet our needs. We also budget a contingency reserve each year to meet unanticipated expenses, and we maintain adequate reserves to protect us from future unknowns. As a "rule of thumb", we try to maintain an unallocated, or unbudgeted, reserve in the general fund that is at least 15% of the general fund operating budget.

What are "Funds"?

The City's Budget is financed by the use of different "funds". A fund can be thought of as a separate bank account used for specific purposes. The **General Fund** is the City's main operating fund used to pay for "traditional" city services such as police and fire protection, administration, street maintenance, and recreation functions. These activities utilize most tax dollars, such as property tax and sales tax, but are also supported by licenses and permits, court fines, and investment earnings. Some activities in the General Fund, such as building inspection and recreation functions, are also intended to be substantially self-supporting through fees for services charged to individuals. In areas where specific benefit for a service can be identified to specific individuals, the City has a policy of charging a fee to offset the cost of providing the service.

Another major group of City funds are called **Enterprise Funds**. These funds are used to account for specific services which are funded directly by fees and charges to users. In Milpitas, Enterprise Funds include the Water Fund and the Sewer Fund. The intent is that these two funds be completely self-supporting and not be subsidized by any general revenue or taxes. The utility bills sent to each household and business in the community charge for the cost of providing water and sewer customer services. These funds are accounted for as if each activity was a separate, independent non-profit business of the City.

Various **Capital Improvement Funds** are also maintained by the City. A capital improvement is usually a large construction project such as the resurfacing of City streets, the development of park land, the construction of an overpass, the installation of a traffic signal, or the acquisition of land and construction or remodeling of a public building. The City's Capital Improvement Funds include the Street Improvement Fund, the Park Fund, and the Treatment Plant Construction Fund. Water and Sewer capital projects are financed in the respective Enterprise Funds.

Finally, the City maintains **Debt Service** and **Special Revenue Funds**. The former type of fund is used to pay the principal and interest payments associated with retiring bonds that the City has issued. The later funds set aside special revenue, such as Housing and Community Development federal revenue, which is restricted in its use.

How is the Operating Budget Prepared?

The Proposed Budget and Financial Plan is prepared each year by staff, detailing what will be necessary to provide City services for the upcoming year, identifying various department objectives and significant policy issues for Council direction. After delivery of the Proposed Budget to the Council, the City Council holds public budget hearings in May to provide the public with the opportunity to make any comments or suggestions regarding the Budget. The City Council then adopts the Proposed Budget as it may be amended during the budget hearings. A Final Budget is subsequently adopted, formally incorporating in a single document the changes that were directed during the budget hearings.

The proposed budget document is prepared to insure that the spending authority proposed carries with it an anticipated level of service. The budget process is designed to integrate the managerial task of planning with the quantitative task of presenting expenditure requests for approval. The process assumes that individual managers have the most insight into their own operations and, therefore, should be the ones to identify and support the various alternative levels of service they are able to provide as well as the costs of those levels.

How is the Capital Improvement Program Budget Prepared?

The **Five-year Capital Improvement Program Budget** is prepared each year, in a process that parallels the preparation of the Operating Budget (as shown in the Budget Preparation Timeline included in the Budget Guidelines and Fiscal Policies section).

Departments are asked to submit a comprehensive prioritized list of all of their Capital Improvement Program (CIP) projects. CIP projects are prioritized using the following categories (listed in priority order): mandatory or committed projects, health and safety projects, maintenance of existing capital assets or systems, major service equipment replacement, projects which avoid future additional costs, studies and analyses, enhance economic development and improve the quality of life. The Finance Department and the Engineering Department work closely in the funding analysis phase of the CIP process to determine which project will proceed and which projects may be accelerated or delayed. Unlike the Operating Budget, before the CIP Budget can be submitted to the City Council, the Parks projects must be submitted to the Parks, Recreation and Cultural Resources Commission for their approval. All CIP projects are submitted to the Planning Commission to ensure the CIP projects are in conformance with the General Plan.

After delivery of the Preliminary Report to the Council, the City Council holds public budget hearings in May to provide the public with the opportunity to make any comments or suggestions regarding the CIP. The City Council then adopts only the first year of the Five-year Capital Improvement Program Budget as it may be amended during the budget hearings. A Final Capital Improvement Program Budget is subsequently adopted, formally incorporating the changes that were directed during the budget hearings into a single document.

Budgets and Budgetary Accounting

The City's budget is adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are considered budgetary expenditures in the year of the commitment to purchase, and capital project expenditures are budgeted on a project length basis. (See discussion of basis of accounting on the next page.)

The City adopts an annual Operating Budget and Financial Plan on or before June 30th each year. The City follows these procedures in establishing the budgetary data reflected in their financial statements:

- On or before May 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and identified financing means.
- Public budget hearings are conducted to evaluate the proposed budget and seek public input.
- Prior to July 1, the budget, as may be amended, is adopted by the City Council.
- A final budget document which summarizes the adopted budget is formally enacted, within 90 days, by resolution of the City Council.
- The City Manager is authorized to transfer budgeted amounts within departments within a fund. The

- City Manager has limited discretion to appropriate funds in an aggregate amount not to exceed the equivalent of 1% of the General Fund budget.
- Budgeted amounts are as originally adopted, or as amended by the City Council.

The legal level of budgetary control is exercised at the departmental level for those funds which have annually adopted budgets: General Fund, Special Revenue Funds and Capital Projects Funds.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Capital Projects Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through the various bond indenture provisions.

Appropriations automatically lapse at the end of the fiscal year unless an encumbrance exists, with the exception of balances remaining in the capital project accounts and grant accounts at the end of the fiscal year. These balances are carried forward to the following fiscal year until the project is completed.

Prop 4 – Appropriations Limit

The City establishes an appropriations limit by resolution, each year during the budget process, which commences after the beginning of each fiscal year. The appropriation base is adjusted each year by changes in population, cost of living and transfers of financial responsibility.

Budget Amendments

The operating budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. The procedure for amending budgets depends on the type of change that is needed. One type of change does not affect the “bottom line” total for a department. These changes, mainly transfers from one-line item to another within a department’s operating budget or changes between two divisions within a department.

The second type of budget amendment brings about a change in the total appropriation for a department or fund. Examples of these changes include but are not limited to:

- the acceptance of additional grant money which might become available;
- changes providing for increases in permanent personnel or changes in classification for personnel
- from the number of positions approved in the Budget;
- the appropriation of additional funding if expenditures are projected to exceed budgeted amounts; or
- the reappropriation of monies from one fund to another when deemed necessary.

These types of changes would require City Council approval in the form of a budget appropriation.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement that is applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Fund revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Those revenues susceptible to accrual are property and sales taxes and interest revenue. Forfeitures, licenses, permits, and miscellaneous revenue are not susceptible to accrual because they are not measurable until received in cash. Revenues not considered earned but received are accounted for as revenue collected in advance.

Expenditures are also generally recognized under the modified accrual basis of accounting. An exception to this rule is principal and interest on general long-term debt, which is not recognized by debt services funds until it is due. Financial resources usually are appropriated in funds responsible for repaying debt for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Revenues for services provided but not billed at the end of the fiscal year are not material and are not accrued.

Use of Cost Accounting

The City uses cost accounting to determine the proper allocation to recover costs for services provided. For each City service or program, in addition to direct staff support and appropriations for supplies and services, it also receives support from the administrative staff and benefits from centralized services such as building occupancy and equipment maintenance. These indirect costs (also known as administrative and overhead costs) need to be allocated to each major service or program in order to determine the full cost of providing City services. Similarly, the centralized service costs also need to be allocated to various operating funds. Centralized service costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds share the administrative and overhead costs equitably. In FY 2013-14, the City conducted an updated Cost Allocation study to calculate the percentage of costs that should be allocated to each major program and major operating fund. The same methodology was applied to the FY 17-18 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 17-18 can be found on pages 98-99 of this document.

How Can I Learn More?

We hope that this brief introduction to the Budget has been helpful. You can learn a great deal more by reading this document. We have also included a glossary of terms in the Appendix section of this Budget to help you better understand some of the common jargon. If you would like additional information about the Budget, or have ideas on how we can make the Budget more understandable and informative, please contact the Finance Director at webmaster@ci.milpitas.ca.gov.

Fund Descriptions

The basic accounting and reporting entity for a City is a fund. A fund is “an independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created”. Funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds used in government are classified into three broad categories: governmental, proprietary and fiduciary. Governmental funds include activities usually associated with a typical state or local government's operations (public safety, general government activities, etc.). Proprietary funds are used in governments to account for activities often found in the private sector (utilities, stadiums, and golf courses are prime examples). Trust and Agency funds are utilized in situations where the government is acting in a fiduciary capacity as a trustee or agent. The various funds are grouped in fund types and categories as follows:

Governmental Funds

Government Funds include activities usually associated with the governmental entities' operations (police, fire and general government functions).

General Fund -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are sales taxes, property taxes, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for general government activities, public safety, most street work and the other services described above.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

- **Public Art Fund** - was established to account for construction or acquisition of public art to expand opportunities for the City of Milpitas' citizens to experience public art and enhance the quality of life in the community. The city dedicates 1.5% of eligible projects within the annual Capital Improvement Project expenditures to the acquisition and installation of public art. The expenditures will include, but not limited to, the cost of public art, its installation, maintenance and repair of artwork funded by this fund.
- **Gas Tax Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided by the City's share of state gasoline taxes.
- **Lighting and Landscape Maintenance District Fund** - was established to account for assessments within a district. Revenue is used for servicing and maintaining the public landscaping and additional lighting for the district.
- **Community Facility District Fund** - was established to account for special taxes collected within the district to provide park maintenance and street landscape maintenance services, public safety.
- **Housing and Community Development Fund** - was established to account for community development block grants and expenditures.
- **Law Enforcement Services Fund** - was established to account for the proceeds from the sale of assets which were seized in connection with drug related arrests made by the Allied Agency Narcotic Enforcement Team (AANET) of Santa Clara County and federal asset forfeiture funds received through the Equitable Sharing program. Shared funds must be used only for specified law enforcement purposes; funds are to be used to augment law enforcement budgets, not supplant them. This fund also accounts for the Supplemental Law Enforcement Services grant and expenditures.
- **Solid Waste Services Fund** - was established to account for landfill tipping fees allocated by Santa Clara County. The County allocates a fee of \$1 per ton to each City to be used in relation to the State of California Waste Reduction Act. Revenue is used for the implementation of future waste reduction programs to meet the future State required landfill deposits percentage reduction. The fund also accounts for special charges built into garbage rates specifically for community promotions and household hazardous waste activities. These activities support the City's ongoing efforts to meet State mandates to reduce waste.
- **Hetch-Hetchy Ground Lease Fund** - Established to account for the lease payment to the City and County of San Francisco for the permitted use of the Hetch-Hetchy land.
- **Housing Authority Fund** - was established to allow the City to aggressively plan and address aging of the Milpitas housing stock, limited amount of land, high costs of housing, continuous overcrowding and potential increase in unsanitary conditions. The establishment of a Housing Authority allows the City to improve the quality of life and standard of living for a substantial number of its residents.

Debt Service Funds - Debt Service Funds are used to account for financial resources to be used for the payment of principal and interest on governmental fund long-term debt. The City has the following outstanding bonds: 2015 Tax Allocation Bond and 2017 Wastewater Revenue Refunding Bonds.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

- **Redevelopment Project** - was established to account for the financing and construction activities in the redevelopment project areas. This fund is inactive as of 1/31/2012 due to Assembly Bill 1X26.
- **Street Improvement Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided through State and federal grants.
- **General Government Fund** - was established to account for the construction and maintenance of community improvements. Capital projects previously accounted for in the General Fund has been incorporated in this fund.
- **Park Improvement Fund** - was established to account for the construction and maintenance of City parks. Financing is provided by a special parks improvement fee imposed on developments.
- **Transit Area Impact Fee Fund** - was established to account for the financing and construction activities of infrastructure in the Transit Area Specific Plan.
- **Storm Drain Improvement Fund** - was established to account for the construction and maintenance of City storm drains. Financing is partially provided by fees imposed on developments

Proprietary Funds

Enterprise Funds -- Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City operates the Water Utility and Sewer Utility enterprise funds.

- **Water Utility Fund** - was established to provide water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, and billing and collection.
- **Sewer Utility Fund** - was established to provide sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

Internal Service Funds -- Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

- **Equipment Management Fund** - was established to finance and account for the replacement of equipment used by City departments on a cost reimbursement basis.
- **Information Technology Replacement Fund** - was established to finance and account for the replacement of information technology equipment used by City departments.
- **Permit Automation Fund** - was established to finance and maintain the online permit development system.

Fiduciary Funds

Agency Funds -- Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

- **Employee Deferred Compensation Plan** - was established to account for accumulated employee funds withheld and invested as provided by the Plan.
- **Employee Benefit Fund** - was established to account for self-insured employee dental plan, short term disability plan and MOU contractual agreements.
- **Senior Advisory Commission Fund** - was established to account for the fund raising activities of the Commission.

Revenue Descriptions

The City of Milpitas provides many services to its residents such as Police, Fire, Parks, Recreation, etc. These services are not without cost to the taxpayer. It is the task of City Officials to produce the necessary revenue to satisfy the ever-growing demand for local services.

The City of Milpitas receives revenue from many sources to offset the costs of its operations. Revenue is received from sales taxes, property taxes, and many other sources. For each fiscal year, the City's revenues are estimated conservatively and, therefore, actual revenues received often exceed the estimated projections. This section will describe the major revenue sources available to the City. The Summary of Current Revenues by Fund will provide a more detailed breakdown of all revenues. The major revenue sources are as follows:

Property Taxes

Property Taxes -- Property tax is imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property located within the City. The tax comprises one percent of the assessed value of the property. The assessed value of real property appraised by the County Assessor in the 1975-76 assessment role value adjusted after 1975 by a two percent inflation factor per year. When property changes hands or new construction occurs, it is reassessed at its current market value.

Other Taxes

Sales and Use Tax -- Sales and use tax is imposed on retailers for the privilege of selling, at retail, within the City limits. This tax is based on the sales price of any taxable transaction of tangible personal property. The Bradley-Burns Uniform Local Sales and Use Tax Law, adopted in 1955, extends the authority to impose local tax to counties. One percentage point of the sales tax collected by the State Board of Equalization is allocated back to the City for general purposes. This revenue is placed in the General Fund for unrestricted uses.

Franchise Fees -- A Franchise Fee is imposed on various utilities and organizations which permits them to use and operate those facilities within the City. In Milpitas, franchise fees are charged for Electric, Gas, Garbage, Nitrogen Gas and Cable Television franchises.

Business License Tax -- A Business License Tax is imposed on businesses for the privilege of conducting business within the City. Fees are based on bracketed structures according to the type of business. The fee structures are as follows: average number of employees, number of units or rooms, number of vehicles or a flat fee.

Transient Occupancy Tax -- The Transient Occupancy Tax in Milpitas is a ten percent (14%) tax on the cost of a hotel room and imposed on "transients" who occupy a room or rooms in a hotel, inn, motel, tourist home or other lodging facility within the City's limits.

Licenses and Permits

Building Permits -- The City requires that building permits be obtained to ensure that structures meet specific standards as identified in the Municipal Code. The City requires various construction permits for activities such as the installation of electrical and plumbing. The City charges a fee for issuing these permits in order to recover the costs incurred.

Fire Permits -- The Milpitas Municipal code requires permits be obtained and inspections conducted to ensure activities regulated by the fire code meet specific standards for the protection of life, property and the environment. Activities include: high piled combustible storage, hazardous materials, assembly, and life safety inspections of licensed facilities, apartments, and hotels and motels.

Fines and Forfeitures

Vehicle Code and Other Court Fines -- The City receives a portion of all fines assessed, in Milpitas, for infractions of the State of California Vehicle Code and may receive other court fines as directed by the County, State or Federal Courts.

False Alarm Fees -- Currently the Milpitas Municipal Code provides that a property may have two false alarms in a one-year period. Subsequent false alarms, within that period, are assessed a service charge that can increase from \$300 to \$900 depending on the number of alarms.

Booking Fees -- Counties within California are authorized to charge a "criminal justice administrative fee" intended to cover the "reimbursement of County expenses incurred" for booking and processing of arrested persons who are brought to the County jail for booking or detention. In return, Judges may pass along the City's costs to the offender as part of their court-ordered restitution.

Use of Money and Property

Interest on Pooled Investments -- Interest income is earned as the City invests its idle funds in various investment instruments. The goal of the City regarding investments is to ensure the safety of each investment and maintain liquidity while achieving a fair rate of return - safety, liquidity and yield - in that particular order.

Intergovernmental

Motor Vehicle In-Lieu Tax -- The Motor Vehicle In-Lieu Tax is collected by the State Department of Motor Vehicles through its vehicle registration program in-lieu of a City personal property tax on motor vehicles.

Gas Tax -- The State Gas Tax is derived from State of California taxes on gasoline purchases and is allocated, on a share basis, to cities. The Gas Tax revenues are broken down into Sections 2106, 2107 and 2107.5. Sections 2106 and 2107 funds are restricted to the construction, improvements and maintenance of public streets. Section 2107.5 funds are restricted to engineering costs and administrative expenses with respect to City streets.

Federal, State and County Contributions -- Senior Nutrition fees are one example of a County contribution that is reimbursed to the City from the County of Santa Clara for lunches provided to senior citizens.

Miscellaneous Grants --

- Community Development Block Grant - The Housing and Community Development Block Grant (CDBG or HCD) program was designed by the Department of Housing and Urban Development (HUD) to revitalize low and moderate income areas within a city. The use of CDBG funds is restricted by specific provisions and is managed by the Housing function.
- Public Safety Grants - The City is currently receiving multiple public safety grants including: Supplemental Law Enforcement Services Grant, Local Law Enforcement Block Grant, and Justice Assistance Grant. Future grant spending will be designated for vehicles, equipment and technology improvements.
- SB90 - The law in the State of California provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. Costs mandated by the State means any increased costs which a local agency is required to incur after July 1, 1990, as a result of any new statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service in an existing program.

Charges for Current Services

Charges for Current Services -- All City's basic service charges are recorded at the department or division levels that are associated with specific governmental and enterprise activities. These service levels are: General Government, Planning, Fire, Police, Recreation, Building and Public Works. This is a GASB 34 requirement.

Planning Fees and Sale of Maps and Documents -- Included in these fees are a range of service charges for staff responses to inquiries from the public to review and interpretation of complicated planning and zoning ordinances. Also included are reproduction costs associated with maps and documents from all functions within the organization.

Recreation Fees -- Recreation fees include user program fees for preschool, after-school, teen and summer camp programs; swimming lessons; special events and youth and adult recreational classes.

Rents and Concessions -- Rental fees are charged for the private use of City facilities. Rental facilities include the Community Center, Sports Center, Senior Center, the Jose Higuera Adobe and parks throughout the City.

Other Revenues

Development --

- Park Development Fees - The Park Development Fee is paid by a developer or subdivider for park or recreation purposes, in-lieu of the dedication of the land.

- Treatment Plant Fees - Treatment Plant fees are payment for the purchase of waste water treatment capacity rights. The fee is measured in gallons per day, and the higher the usage, the higher the fee. All fees collected are used for Capital Improvement Projects or for Capital Operating Costs at the San Jose/Santa Clara Water Pollution Control Plant or within the City.
- Traffic Impact Fees - A Traffic Impact Fee is an exaction from a developer to mitigate traffic impacts associated with the development of the subject property. These fees can be dictated by ordinance or by documentation in a Traffic Impact Analysis (TIA) and are then conditions of approval for the development.

Reimbursements –

- AVASA - Beginning in 1996, the State of California, through the Abandoned Vehicle Abatement Service Authority, began reimbursing cities for vehicle abatement activities based on a per vehicle cost. The State reimbursement varies from year to year based on the number of vehicles claimed by all participating cities.

Miscellaneous –

- Solid Waste - Currently the Solid Waste function has two very different revenue streams. The first AB939 is collected by the County as a Tipping Fee at the Landfill and reimbursed to the City on a quarterly basis. The purpose of this fee is to encourage achievement of the State's landfill reduction goal. The second fee is paid by the solid waste customers, incorporated in user rates, and is specifically earmarked for community education and the Household Hazardous Waste programs.

Expenditure Descriptions

Personnel Services

Salaries and Wages

Permanent – Salaries for full time and part time permanent employees.

Temporary – Salaries full time and part time employees who are hired in temporary or substitute basis.

Overtime – Amounts paid to employees for work performed in addition to the normal work period. Hours work in excess of 40 hours per week.

Allowances / Leaves

Allowances – Amounts paid to employees who are entitled to allowances such as car, telephone, uniform, special licenses, canine, motorcycle, SWAT, pager and bilingual pay.

Leave CashOut – Amounts paid to employees for hours cashed out from sick or vacation time banks.

Accrued Leave – To record year-end adjustments of accrued vacation according to the Generally Accepted Accounting Principles (GAAP). For ACCOUNTING USE ONLY.

Benefits

PERS – Amounts contributed to the Public Employees' Retirement System (PERS) plan for its employees.

Group Insurance – City of Milpitas' share of any insurance coverage for its employees such as Medical, Dental, Vision, Life Insurance, Long Term Disability and Short Term Disability.

Medicare-Employer's Contribution – City of Milpitas' share of the Federal Medicare contributions for its employees.

Worker's Compensation – Amount allocated to pay for worker's compensation claims made by employees.

MOU Contractual Agreements – Amounts paid according to negotiated MOU agreements.

Deferred Compensation – Employer Contribution – Contributions made to the employees' deferred compensation plan.

PARS – Amounts contributed to the Public Agency Retirement System-Alternate Retirement System (PARS-ARS) plan for temporary employees not in the PERS system. This is an alternative to the Social Security System.

Retiree Benefits

Retiree Medical Reserve – Amount allocated to fund a portion of the outstanding retiree medical benefits liability.

Retiree Medical Payment – Payment of the outstanding retiree medical benefits liability.

Retiree Medical Reimbursement – Reimbursement from California Employer Benefit Trust fund for retiree medical payment.

Adjustments – Payroll

Adjustments – Payroll – To record year-end payroll adjustments in accordance to the Generally Accepted Accounting Principles (GAAP), i.e., Accrued Payroll which reflects salaries and wages earned by employees as of June 30 but not paid until July. FOR ACCOUNTING USE ONLY.

Vacancy Factor – Budget amount to account for vacant positions.

Charged to CIPs – Budget amount to account for payroll costs that will be charged to the Capital Improvement Projects.

Overhead – PJs contractual Labor and Payroll – A charge made to a developer account to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account charged.

Salary Reduction – Budget amount to account for reduced funding.

Supplies and Contractual Services

Community Promotions, Grants and Loans

Community Promotions – Public relations activities that are aimed to contribute to the progress or growth of the community.

Community Promotions CC Allocated – Public relations activities for progress or growth of the community allocated by the CITY COUNCIL.

Community Promotions CC Unallocated – Public relations activities for progress or growth of the community not yet allocated by the CITY COUNCIL.

Cultural Arts Grants – Financial assistance provided for Cultural Arts programs or activities.

Miscellaneous Grants – Financial assistance provided for miscellaneous grant programs.

Sports Grants – Financial assistance provided for Sports programs or activities.

Housing Rehab Loans – Amount loaned to homeowners for housing rehabilitation purposes under the Community Development Block Grant (CDBG) program.

CDBG Grants – Payment to subrecipients of CDBG Grants.

Miscellaneous Loans – Loans other than for housing rehabilitation purposes under the CDBG program.

Department Allocations

Equipment Replacement Amortization – Department's share of the fund being set aside for the purpose of replacing equipment in the Equipment Replacement Program.

Supplies

Generally, these are items that are consumed.

Office Supplies – Purchased for office use. Examples are pen, folders, drinking water, and coffee.

Departmental Supplies – Items that are used for the programs of the department. Examples are food for the Senior Center, sports supplies for the Recreation Department, target supplies for the Police Department, and tools for Public Works.

Maintenance Supplies – Used for repairs and maintenance of equipment or building. Examples are bolts, screws, nails, janitorial supplies, etc.

Health & Safety Supplies – Used for health and safety purposes. Examples are goggles, safety shoes, hard hats, gloves, first-aid kits, VDT glasses, etc.

Contractual Services

Generally, amount paid for services rendered by organization or personnel not on the payroll of the City of Milpitas. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

Advertising – Costs of media services and associated costs. Media advertising includes magazines, newspapers, radio and television programs, direct mail, exhibits, and the like. Examples are advertising for such purposes as personnel recruitment, legal ads, new and used equipment and sale of property, and City Clerk notices of meetings.

Blueprinting – Usually are services provided to blueprint the engineering plans.

Contractual Services – Services rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement. Payment of fees to contractors to acquire license or permits for the City of Milpitas should be recorded in this account. NOTE: Copier charges should be paid from this account.

Contractual Services-PJ's Labor – Rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement for its Private Jobs (PJ). Examples are carpentry, painting, and other labor for the City's Private Jobs.

Audit Fees – Professional services provided by Certified Public Accountants (CPA) firms for the purpose of auditing the City's financial statements. Example is the Comprehensive Annual Financial Report.

Street Sweeping – Includes sweeping and washing streets, flushing gutters and underpasses and collecting and disposing of debris from streets and public roadways.

Repair & Maintenance – Repair and maintenance services provided by personnel not on the payroll of the City of Milpitas. This includes repair and maintenance of the City's buildings and equipment. Examples are vehicular, equipment, and/or facilities repair and maintenance. Cost of warranty obtained after the original equipment warranty expired or any warranties obtained after the purchase of the equipment should be recorded to this account. Annual maintenance agreement or contract on equipment should be recorded here.

Rents and Leases – Costs for renting or leasing land, buildings, equipment and vehicles for either temporary or long range use by the City of Milpitas. Agreement should not have an option to buy or to acquire ownership at the end of the lease term. (Please see Capitalized Leases, also).

Contributions to Non-City owned Capital Assets – Costs incurred in capital improvement projects that the City does not have the ownership of the property. These costs generally incurred by the City for the benefits of the residents in Milpitas but the property is owned by another government agency. For example, the City spent money to improve the I880/237 intersection to improve the quality of life for local residents, but the City does not own the intersection. CalTrain owns the intersection. For ACCOUNTING USE ONLY – GASB 34

Legal Services

Retainers and Fees – Fees paid to engage the services of a professional adviser as an attorney.

ABAG Attorney's Fees – Fees paid to Associate Bay Area Government (ABAG) attorney.

ABAG Settlements – Costs paid to ABAG for settling insurance claims.

Litigation – Costs incurred to settling litigation or lawsuits. This should include costs incurred during legal proceedings.

Elections

Elections – Includes expenditures for holding general primary and special elections.

Communications

Communications – Except the categories below, any services provided by persons or businesses to assist in transmitting and receiving messages or information.

Phone-Local – Basic monthly telephone charges. Computer Data Lines – Charges for computer data lines services such as internet user's fees and charges, T1 line monthly charges, and web site charges, if any.

Phone-Long Distance – Long distance telephone charges.

FAX – Fax line fees and charges.

Pagers – Pagers monthly fees.

Cellular Phones – Fees and charges associated with cellular telephones.

Fire Alarms – Fees and charges for usage and maintenance of fire alarm lines.

Police Alarms – Fees and charges for usage and maintenance of police alarm lines.

Utilities

Utilities – Expenditures for energy except gas, electric and water. Examples are bulk oil normally used for heating, and bulk gasoline or diesel purchase for non-transportation use. Gasoline or diesel purchased for transportation purposes should be charged to account 4223 departmental supplies.

Utilities-Gas – Gas purchased from a public or private utility company for the City of Milpitas facilities consumption.

Utilities-Electric – Electricity purchased from a public or private utility company for the City of Milpitas facilities consumption.

Utilities-Water – Water purchased for the City of Milpitas facilities consumption. Drinking water bottles purchased should be charged to account 4221 Office Supplies.

SFWD, Wholesale Water Purchase – Water purchased from San Francisco Water Department (SFWD) for resale to the residence and businesses being served by the City of Milpitas.

SCVWD, Wholesale Water Purchase – Water purchased from Santa Clara Valley Water District (SCVWD) for resale to the residence and businesses being served by the City of Milpitas.

Recycled Water Purchase – Purchased for resale to the businesses being served by the City of Milpitas. For irrigation use only.

Treatment Plant, M & O – City of Milpitas waste water treatment fees paid to City of San Jose –Maintenance and Operation.

Memberships, Training and Travel

Membership and Dues – Amount paid for an employee or group of employees of the City of Milpitas to be a member of an organization.

Professional Licensing – Fees paid for an employee of the City of Milpitas to acquire or renew a license or permit in order for him/her to exercise his/her profession. Examples are CPA and Civil Engineer licenses.

Training/Registration – Fees paid for a City of Milpitas employee to enroll or attend a seminar, workshop, and/or training class.

Lodging/Travel – This is the actual amount paid for a place to stay while a City of Milpitas employee is conducting out-of-the-office business (e.g. hotel accommodation). Airfare and other transportation expenses, except use of own vehicle, such as shuttle to airport and hotel, and car rental are recorded in this account. This is associated with approved travel request.

Meals for Meetings – Expenses incurred to provide food in conducting department and/or business meetings. Restaurant meals eaten off site must be approved in advance according to the SOP 8-1.

Per Diem – Specified daily meals, incidental expenses, and/or lodging allowance in lieu of actual meal(s), and/or lodging expenses incurred while conducting out-of-the-office business. This is associated with approved travel request. Per Diem rates vary according to your business destination. City of Milpitas' per diem rates are according to the Maximum Federal Per Diem Rates for Travel in Continental United States (CONUS). Please call the Finance Department or refer to the current IRS Publication 1542 for the appropriate per diem rates of your business destination.

Mileage Reimbursement and Parking – Payment to an employee for the use of his/her vehicle to conduct out-of-the-office business including parking costs. According to the City of Milpitas SOP 6-1, Section 2d, "Mileage reimbursement shall be at the rate as set by the Internal Revenue Code and shall be reimbursed for the distance between home and destination or work and destination, whichever is less." Please call the Finance Department or refer to the current IRS Publication 535 for the mileage rate.

Tuition Reimbursement – Amount reimbursed by the City of Milpitas to any employee qualifying for tuition reimbursement, based upon the City's policy. Please refer to the Memorandum of Understanding of each bargaining unit.

Commissions and Boards

Conference Expenses – For COMMISSIONS and BOARDS USE ONLY. This is for conference related expenses.

Non-Conference Expenses – For COMMISSIONS and BOARDS USE ONLY. This is for nonconference related expenses.

Insurance and Settlements

Liability – Payments of insurance premiums for general liability coverage, public official bond, administrative and property coverage.

Uncollectible Accounts

Uncollectible Accounts – Portion of a receivable not expected to be collected. For ACCOUNTING USE ONLY.

Collection Fees – Fees paid to a collection agent (bureau) for collecting monies owed the City from unpaid receivables. The fees are usually based on a percentage of the collected total amount.

Depreciation and Amortization

Depreciation & Amortization – Depreciation is the portion of the cost of a fixed asset charged as an expense during a particular period. Amortization is the portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. For ACCOUNTING USE ONLY.

Contingent Reserve

Contingent Reserve – Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, unsettled disputed claims. Includes reserve 1% of the General Fund Budget per the budget resolution, adjusted annually. For ACCOUNTING USE ONLY.

Loss on Sale

Loss on Sale – Records the loss incurred on sale of property or equipment. ACCOUNTING USE ONLY.

Adjustment – Service and Supplies

Reduced Funding – Budget amount to account for reduced funding.

Debt Service**Principal**

Expenditures for periodic principal maturities of general obligation bonds or payments of principal on general long-term debt other than bonds.

Retirement of Principal – Payments of Bond Principal.

Principal – COP – Payments of Bond Principal – Certificate of Participation.

Principal – Advance – Payments of other debt principal – Advanced fund.

Interest

Periodic interest on general obligation bonds or interest payments on general long-term debt other than bonds.

Interest Expense – Bond interest payments.

Interest – COP – Bond interest payments – Certificate of Participation

Interest – Advance – Other debt interest payments-Advanced fund.

Contractual Obligation

Fiscal Agent's fees are payments made to financial institutions for services rendered in paying interest and redeeming debt at maturity.

Cost of Issuance – Payments to bond underwriters, legal fees and other costs associated with bond issuance.

Premium-Bond Prepayment

Premium-Bond Prepayment – Fees (redemption premium) paid for early bond call (bond or any portion of its principal redeemed and paid in advance of maturity).

Capital Outlay > \$5,000

Items to be recorded to the object and detail codes under this category should have acquisition cost of \$5,000 or more per unit and have a useful life of two or more years. Acquisition cost means the net invoice unit price of an item including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges such as taxes, duty, protective in-transit insurance, freight, and installation; and, extended warranties when purchased at the time of the equipment can be included in the acquisition cost. Please see FIXED ASSETS INVENTORY CONTROL and CAPITALIZATION POLICY, also.

Capital Improvements

Capital Outlay

Capital Outlay – Expenditures for the acquisition or construction of major capital facilities that do not fall under any of the Capital Outlay > \$5,000 categories. This is usually the accumulation of the Capital Improvement Project's (CIP) expenditures by phase. Though CIPs expenditures are coded in detail, the result rolls up to this account by phase.

Land

Land – Purchase price plus legal and title fees, professional fees, surveying fees, site preparation cost, and/or any cost incurred to place land in condition for its intended use.

Land Improvements

Land Improvements – Permanent improvements, other than buildings, that add value or useful life to land. Examples are parking lot, fence and gates, retaining walls, fountains, swimming pools, tennis courts, trails and paths.

Buildings and Improvements

Buildings and Improvements – Permanent structures purchased or otherwise acquired by the City. Includes the principal amount of capital lease payments resulting in the acquisition of the building. Payments to building authorities or similar agencies are not to be included in the acquisition cost. The category includes improvements to buildings owned by the City of Milpitas. Examples are additional installation of heating and ventilating systems, and installation of fire protection system.

Infrastructure

Infrastructure – Public domain capital assets includes roads, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, landscape systems, storm systems and traffic systems.

Vehicles

Vehicles – Equipment used to transport persons or objects. Cost includes transportation charges, sales tax, installation costs and extended maintenance or warranty contracts, if purchased at the same time of the equipment. Examples are police cars, fire trucks, and maintenance trucks. Accessories and installation costs can be included if done during the purchase or within 30 days after the purchase of the vehicle.

Capitalized Leases

Capitalized Leases – Principal lease payments for land, building, and/or equipment that will be acquired or subject for ownership within the term of the lease or at the end of the lease. Once acquired, it will be reclassified as land, building, or equipment. Lease contract usually has a clause indicating the option to buy.

Machinery and Equipment

Machinery and Equipment – Any single machinery or equipment except vehicles and computer hardware and software, with an acquisition cost of \$5,000 or more per unit and have a useful life of two or more years. Examples of machinery and equipment are printing press, lathe machines, drill presses and movable generators.

Computer Hardware – Example is a server.

Computer Software – Examples are the Accounting Software being utilized by the City of Milpitas Finance Department and the Best Fixed Assets system.

Furniture and Fixtures

Furniture and Fixtures – Office furniture and building fixtures.

Adjustments – C I P

Adjustments – CIP – Account being used to record year-end CIP adjustments in accordance to the Generally Accepted Accounting Principles (GAAP) to reclassify CIP capital expenditures to the Fixed Assets.

Capital Outlay < \$5,000

In addition to the fixed asset categories above, the City of Milpitas performs a risk assessment on City assets to identify those at risk or vulnerable to loss. Items that have a unit acquisition cost of less than \$5,000 but are vulnerable to loss is to be recorded to the following detail codes. Items that are not falling under the categories below should be charged to supplies categories.

Office Furniture and Fixtures

Office Furniture and Fixtures – Examples are chair, table, dividers and workstations.

Machinery and Equipment

Machinery and Equipment – Examples are fax machines, firearms, weapons, and defibrillators.

Computer Hardware – Examples are desktop computers, laptops, printers, and scanners.

Computer Software – Examples are application and utility programs such as Microsoft Windows programs.

Electronic Equipment – Examples are cell phones, radios, PDAs, digital cameras, and televisions.

Hydrants and Meters

Hydrants and Meters – Cost of fire hydrants and water meters.

List of Funds

100	General Fund	267	Justice Assistance Grant
100	General Fund	269	Grant Fund
102	Measure I TOT	280	Solid Waste Services
103	1452-1474 S. Main	295	Housing Authority
104	Cable Rebate		
105	Abandon Veh Abatement	300	Capital Projects Funds
109	Utility Rate Assistance	310	Street Improvement Fund
120	Browning-Ferris Holding Fund	311	Street CIP
130	Private Job Developer Deposits	312	Traffic Impact Fee
140	Housing Administration	313	Traffic Congestion Relief
150	Redevelopment Administration	314	Vehicle Registration Fee
		315	Calaveras Widening Impact Fee
200	Special Revenue Funds	316	Montague Widening Impact Fee
211	H-Hetch Ground Lease	317	Milpitas Business Park Impact Fee
212	Public Art Fund-Restricted	318	1997 TABs
213	Public Art Fund-Nonrestricted	319	2003 TABs
214	Community Planning Fee Fund	320	Park Improvement Fund
215	Community Benefit Fund	321	Park CIP
216	Affordable Hsng Community Benf	322	Midtown Park Fund
221	Gas Tax Fund	330	General Government
235	95-1 Lighting and Landscape Maint. District	331	General Government CIP
236	98-1 Lighting and Landscape Maint. District	340	Storm Drain Development
237	05 Community Fcty Dist	341	Storm Drain CIP
238	08 Community Fcty Dist	350	Transit Area Impact Fee Fund
250	Housing and Community Development Fund	351	Transit Area Impact Fee CIP Fund
251	Housing and Community Dev Loan Fund	352	Piper Montague Infrastructure
261	Supplemental Law Enforcement Services Fund	390	Redevelopment Project Fund
262	State Asset Seizure	391	Redevelopment CIP
263	Federal Asset Seizure	392	1997 RDA Tax Allocation Bonds CIP

393 2000 RDA TABs CIP

400 Enterprise Funds

- 400 Water Maintenance and Operation Fund
- 401 Water CIP
- 402 Water Line Extension Fund
- 403 Water Bonds
- 405 Water Infrastructure Replmnt
- 450 Sewer Maintenance and Operation Fund
- 451 Sewer CIP
- 452 Treatment Plant Construction Fund
- 455 Sewer Replacement Fund

500 Internal Services Funds

- 500 Equipment Management Fund
- 505 Information Tec Replmt
- 506 Permit Automation Fund

930 Successor Agency

- 930 Successor Agency

List of Departments / Divisions / Functions

1 City Manager

- 10 City Council
- 100 City Council
- 11 City Manager
- 111 City Manager
- 114 City Clerk
- 116 Economic Development

2 City Attorney

- 12 City Attorney
- 120 City Attorney

3 Finance

- 30 Finance Administration
- 300 Finance Administration
- 31 Accounting Services
- 310 Accounting Services

4 Public Works

- 42 Public Works
- 400 Public Works Administration
- 421 Street Maintenance
- 422 Utility Engineering
- 423 Utility Maintenance
- 424 Parks Maintenance
- 425 Trees & Landscape Maintenance
- 426 Fleet Maintenance
- 427 Facilities Maintenance
- 428 Compliance
- 430 Solid Waste

5 Planning

- 51 Planning and Neighborhood Services
- 512 Planning
- 513 Long Range Planning
- 551 Neighborhood Services

6 Recreation

- 45 Recreation
- 161 Recreation Administration
- 162 Senior Citizen Services
- 163 Pre-K Enrichment
- 164 Youth Programs
- 167 Special Events
- 168 Marketing
- 169 Performing Arts
- 170 General Classes
- 171 Aquatics
- 172 Sports and Fitness
- 173 Adult Sports
- 174 Volunteer Services

7 Police Department

- 70 Police Administration
- 700 Police Administration
- 71 Support Services Bureau/Technical Services
- 711 Records
- 712 Training and Personnel
- 713 Communications
- 72 Operations Bureau/Field Services
- 721 Patrol Services
- 722 Traffic
- 723 Crossing Guards
- 73 Special Operations
- 714 Community Relations/Youth Services
- 724 Investigations

8 Fire Department

- 80 Fire Administration
- 801 Fire Administration
- 81 Emergency Response Services
- 812 Fire Suppression and Equipment
- 82 Fire Prevention Services
- 821 Fire Prevention Services Admin
- 822 Inspection/Enforcement
- 84 Emergency Management Services
- 840 Emergency Management Services

11 Information Services

- 14 Information Services
- 112 Information Services

12 Human Resources

- 15 Human Resources
- 115 Human Resources

13 Building & Housing

- 53 Building Inspection
- 531 Building Inspection Services
- 532 Plan Checking
- 533 Building Administration
- 534 Permit Center
- 536 Housing and Neighborhood Services

14 Engineering

- 41 Engineering
- 411 Engineering Administration
- 412 Design and Construction
- 413 Land Development
- 415 Traffic Engineering
- 416 Utility Engineering

List of Departments / Divisions / Functions

9 Non-Departmental

- 91 Non-Departmental
 - 910 Non-Departmental
- 92 Debt Service
 - 920 Debt Service
- 93 Equipment to be Depreciated
 - 930 Equipment to be Depreciated
- 95 Other Functions
 - 951 Capital Improvement Projects

List of Revenues

300 Property Taxes

3010 Property Taxes-Current	3154 Sheraton
3010 Property Taxes-Current	3155 Best Western-Brookside
3011 Current-Secured Property Taxes	3156 Larkspur Landing
3012 Current-Unsecured Property Taxes	3157 Park Inn
3013 Vehicle License Fee (VLF)	3158 Audited TOT
3014 Educational Revenue Augmentation Fund (ERAF)	3160 Executive Inn
3531 Property Tax, Supplemental	3161 Days Inn
3020 Property Taxes-Prior	3162 Extended Stay of America
3020 Property Taxes-Prior	3163 Hampton Inn-Milpitas
3021 Prior-Secured Property Taxes	3164 Hilton Garden Inn
3022 Prior-Unsecured Property Taxes	3165 Homestead Village
3050 Property Taxes-RPTTF Distribution	3166 Marriott Courtyard
3051 Property Taxes-RPTTF Distribution	3167 Milpitas Travelodge
	3168 Sonesta Silicon Valley
	3169 Residence Inn by Marriott
	3170 Best Value Inn

310 Other Taxes

3110 Sales and Use Tax	3171 Towneplace
3110 Sales and Use Tax	3172 Stay Bridge Suites
3111 .5% Sales and Use Tax	
3120 Real Estate Transfer Tax	320 Licenses and Permits
3120 Real Estate Transfer Tax	3210 Building Permits
3130 Franchise Tax	3210 Building Permits
3130 Franchise Tax	3211 Plan Check Revisions
3131 Electric Franchise	3212 After Hour Plan Check
3132 Gas Franchise	3213 After Hours Inspection
3133 Garbage Franchise-Commercial	3214 Re-inspection
3134 Garbage Franchise-Non-Commercial	3215 Dedicated Building Services
3135 Solid Waste-Community Relations	3216 Mobile Home Inspections
3136 Solid Waste-Household Haz Waste	3217 Plan Check
3137 Nitrogen Gas Franchise	3218 Building Investigation
3138 CATV Franchise	3220 Fire Permits (Annual)
3139 County-wide AB 939 Fees	3220 Haz Mat Const Permit & Insp
3140 Business License Tax	3221 Life Safety Const Permits & Insp
3140 Business License Tax	3222 Haz Mat Annual Permit & Insp
3150 Hotel/Motel Tax	3223 Fire Penalties
3150 Hotel/Motel Tax	3224 Hazardous Waste Fees
3152 Embassy Suites	
3153 Crowne Plaza	

List of Revenues

3225 Non-Pt Source Permits & Insp	3510 In Lieu Tax
3240 Life Safety Annual Permits	3511 Motor Vehicle In Lieu Tax
3240 Life Safety Annual Permits	3512 State Trailer Coach In Lieu Tax
3241 Haz Mat Construction Permits	3520 Tax Relief
3250 Fire Inspections	3520 Tax Relief
3250 Fire Inspections	3521 Homeowner's Property Tax Relief
3251 Building Standards and Life Safety	3522 Business Inventory Tax Relief
3252 Fast Track After Hour Inspection	3530 Tax
3260 Planning Licenses and Permits	3532 Off-Highway Tax
3261 Animal Licenses	3540 Gas Tax
330 Fines and Forfeits	3543 Section 2103-Gas Tax
3300 Fines and Forfeits	3545 Section 2105-Gas Tax
3301 Vehicle Code Fines	3546 Section 2106-Gas Tax
3302 Other Court Fines	3547 Section 2107-Gas Tax
3304 Hazardous Materials Fines	3548 Section 2107.5-Gas Tax
3305 Booking Fee	3549 Sec 2032 - RM&R
3306 NBO Violation Fees	3550 Federal Contributions
3307 Impound Fees	3551 Federal Contributions-General Gov't
3308 Animal Violations	3553 Federal Contributions-Building
3309 False Alarm Fee	3554 Federal Contributions-Public Works
3310 Fire Administrative Citation	3555 Federal Contributions- Engineering
3311 Building Administrative Citation	3556 Federal Contributions-Recreation
3312 Planning Administrative Citation	3557 Federal Contributions-Police
3313 PW Municipal Code Fines	3558 Federal Contributions-Fire
3321 Urban Runoff Fines	3559 Federal Contributions-Planning
340 Revenues from Use of Money	3560 State Contributions
3430 Investments	3561 State Contributions-General Gov't
3430 Interest Income	3562 POST Grant
3431 Pooled Interest (nonallocation)	3563 State Contributions-Building
3432 Cash with Fiscal Agents	3564 State Contributions-Public Works
3433 Other Interest Income	3565 State Contributions-Engineering
3434 Pooled Interest (allocation)	3566 State Contributions-Recreation
3435 Gain on Sale of Investments	3567 State Contributions-Police
3436 Market Value Gain/Loss on Inv	3568 State Contributions-Fire
350 Intergovernmental Revenue	3569 State Contributions-Planning
3510 In Lieu Tax	3570 County Contributions

List of Revenues

3571 County Contrib-General Gov't	3616 Engr Plan Check Fees
3572 South Bay Water Recycling Prog	3618 Sales of Maps & Documents-Engr
3573 County Contributions-Building	3619 Rents, Lease & Concession-Engr
3574 County Contributions-Public Works	3620 Public Works
3575 County Contributions-Engineering	3621 Public Works Service Charges
3576 County Contributions-Recreation	3622 Public Works Cost Recovery
3577 County Contributions-Police	3630 Fire Services
3578 County Contributions-Fire	3631 PJ Overhead Charges - Fire
3579 County Contributions-Planning	3632 PJ Labor Reimbursement - Fire
3580 Other Restricted Grants	3633 Fire Cost Recovery
3581 Other Restricted Grants-General	3634 Fire Unwanted Alarms
3582 SB90 Grant	3635 Fire Enforcement Penalties
3583 Other Restricted Grants-Building	3636 Fire Enforcement Training
3584 Other Restricted Grants-Public Works	3637 Fire Service Charges
3585 Other Restricted Grants-Engineering	3638 Sales of Maps & Documents
3586 Other Restricted Grants-Recreation	3639 Fire Electronic Archive Fee
3587 Other Restricted Grants-Police	3691 Fire GIS Mapping
3588 Other Restricted Grants-Fire	3692 Fire Automation Fee
3589 Other Restricted Grants-Planning	3693 Fire - Rent, Lease & Concession
3590 Misc Unrestricted Intergovernmental	3640 Police Services
3591 Misc Unrestricted Intergov'l	3641 Police Service Charges
3592 ERAF Refund	3643 Fingerprints
360 Charges for Services	3644 Sales of Maps & Docs - Police
3600 General Government	3645 Police Cost Recovery
3601 Gen Government Service Charges	3646 Rents, Lease & Concession-Police
3602 Sales of Maps & Documents-GG	3647 DUI - Police Cost Recovery
3603 Rents, Lease & Concession-GG	3648 PJ Overhead Charges-Police
3604 Business License Procng Fee	3649 PJ Labor Reimbursement - Police
3608 PJ Legal Overhead Charges	3650 Recreation Services
3609 PJ Legal Reimbursement	3651 Rents, Lease & Concession-Recr
3610 Engineering Svcs	3652 Recreation Fees
3611 PJ Overhead Charges - Eng	3653 Senior Nutrition Fees
3612 PJ Labor Reimbursement - Eng	3654 Sales of Maps & Documents
3613 PJ Vendor Reimbursement - Eng	3656 Recreation Transaction Fees
3614 Assessment for Capital Purpose	3660 Building Services
3615 Engineering Fees	3661 Sales of Documents

List of Revenues

3662 Records Retention Fee	3716 Fire Hydrant Fees
3663 Building Service Charge	3717 Encroachment Permit Fees
3664 Overhead Charges Reimbursement	3718 Traffic Impact Fees
3665 PJ Overhead Charges-Building	3720 Special Assessments
3666 PJ Labor Reimbursement - Building	3720 Special Assessments
3667 Building State Mandated Stds Fee	3721 Special Assessments-Prepayments
3670 Utility Charges	3730 Recycling
3626 Public Works Service Charges	3730 Recycling
3627 Public Works Cost Recovery	3740 Reimbursements
3628 Sewer Consumption	3741 Repayment
3629 Capital Surcharge	3742 Principal
3671 Water Meter Charge	3743 Interest Income
3672 Water Consumption	3744 Advance-Principal Repayment
3673 Irrigation Meter Charge	3745 Advance-Interest Earnings
3674 Irrigation Consumption	3746 HazMat Incidents
3675 Fire Line Meter Charge	3750 Donations
3676 Fire Line Consumption	3750 Donations
3677 Recycle Meter Charge	3760 Developer Contribution
3678 Recycle Consumption	3760 Developer Contribution
3680 Planning Services	3761 Contribution-Equipment
3617 Planning Fees	3770 Sale of Property, Plant and Equipment
3681 PJ Overhead Charges - Planning	3770 Sale of Property, Plant and Equipment
3682 PJ Labor Reimbursement - Planning	3771 Fire Safe Program
3683 PJ Vendor Reimb - Planning	3772 Police Abandon Properties
3684 Sales of Maps & Documents- Planning	3790 Miscellaneous Revenue
3685 Housing and Neighborhood Services	3791 Cash Over/(Short)
3686 Planning Plan Check Fees	3792 Clearing-Various
3687 Animal Control Services Fee	3799 Miscellaneous Other Revenue

370 Miscellaneous Revenue

3710 Development
3710 Development
3711 Storm Drain Connection Fee
3712 Park Development Fees
3713 Sewer Permit Fees
3714 Treatment Plant Fees
3715 Connection Fees

List of Expenditures

410 Personnel Services

4110 Wages	4209 Miscellaneous Loans
4111 Permanent	4210 Department Allocations
4112 Temporary	4211 Equipment Replacement
4113 Overtime	4212 Vehicle Lease Charges
4114 Reimbursable Overtime	4220 Supplies
4120 Allowances/Leaves	4221 Office
4121 Allowances	4223 Departmental
4124 Leave Cashout	4224 Maintenance
4125 Accrued Leave	4225 Health and Safety
4130 Benefits	4226 Senior Nutrition Food Supplies
4131 PERS	4230 Services
4132 Group Insurance	4231 Advertising
4133 Medicare	4232 Blueprinting
4135 Workers' Compensation	4237 Contractual Services
4136 Unemployment	4238 4237 Contractual Services/PJs'
4137 MOU Contractual Agreements	4239 Audit Fees
4138 Deferred Comp-Employer's Contribution	4240 Street Sweeping
4139 PARS	4242 Rents and Leases
4140 Adjustments-Payroll	4244 Senior Nutrition Non-Food
4141 Payroll Adjustment	4250 Legal Services
4142 Vacancy Factor	4252 Retainers and Fees
4143 Charged to CIPs	4253 ABAG Attorney's Fees
4144 Reduced Funding	4254 ABAG Settlements
4146 Short Term Disability	4255 Litigation
4151 Compensation Reduction	4256 IBNR Adjustment
4152 Employee Pay PERS Contribution	4280 Elections
4199 Overhead-PJ's Contri Labor	4280 Elections
4198 Overhead-Payroll	
4160 Retiree Benefits	
4161 Retiree Medical Reserve	421 Repairs & Maintenance
4162 Retiree Medical Payment	4230 Repairs & Maintenance
4163 Retiree Medical Reimbursement	4241 Repairs & Maintenance

420 Services and Supplies

4200 Community Promotions, Grants and Loans	4410 Communications
4201 Community Promotions	4411 Phone-Local
4202 Community Promotions-CC Allocated	4412 Computer Data Lines
4203 Community Promotions-CC Unallocated	4413 Phone-Long Distance
4204 Cultural Arts Grants	4414 FAX
4205 Miscellaneous Grants	4415 Pagers
4206 Sports Grants	4416 Cellular Phones
4207 Housing Rehab Loans	4417 Fire Alarms
4208 CDBG Grants	4418 Police Alarms
	4420 Utilities
	4421 Gas

421 Repairs & Maintenance

4230 Repairs & Maintenance
4241 Repairs & Maintenance

440 Communications & Utilities

4410 Communications
4411 Phone-Local
4412 Computer Data Lines
4413 Phone-Long Distance
4414 FAX
4415 Pagers
4416 Cellular Phones
4417 Fire Alarms
4418 Police Alarms
4420 Utilities
4421 Gas

List of Expenditures

4422 Electric	4701 Retirement of Principal
4423 Water	4702 Principal-COP
4426 Solid Waste	4703 Principal-Advance
441 UTILITIES - WATER	4720 Contractual Obligation
4420 Utilities - Water	4720 Contractual Obligation
4424 SFWD, Wholesale Water Purchase	4721 Cost of Issuance
4425 SCVWD, Wholesale Water Purchase	4730 Premium- Bond Prepayment
4427 Recycled Water Purchase	4730 Premium- Bond Prepayment
442 Treatment Plant	471 Interest
4420 Treatment Plant	4710 Interest
4428 Treatment Plant, Capital	4711 Interest Expense
4429 Treatment Plant, M & O	4712 Interest-COP
4713 Interest-Advance	
450 Memberships, Training and Travel	480 Capital Outlay > \$5,000
4500 Memberships, Training and Travel	4800 Capital Outlay
4501 Memberships and Dues	4800 Capital Outlay
4502 Professional Licensing	4810 Land
4503 Training and Registration	4811 Land
4505 Lodging/Travel	4820 Land Improvements
4506 Meals for Meetings	4821 Land Improvements
4507 Per Diem	4830 Buildings and Improvements
4508 Mileage Reimbursement/Parking	4831 Buildings and Improvements
4509 Tuition Reimbursement	4840 Infrastructure
4520 Commissions and Boards	4841 Infrastructure
4521 Conference Expenses	4850 Vehicles
4522 Non-conference Expenses	4851 Vehicles
460 Insurance Settlements and Contingencies	4860 Capitalized Leases
4600 Insurance and Settlements	4864 Capitalized Leases
4602 Liability	4865 Capital Lease Interest
4603 Settlements	4870 Machinery and Equipment
4610 Uncollectible Accounts	4873 Machinery & Equipment
4610 Uncollectible Accounts	4874 Computer Hardware
4611 Collection Fees	4875 Computer Software
4640 Contingent Reserve	4880 Furniture and Fixtures
4640 Contingent Reserve	4881 Furniture & Fixtures
4650 Loss on Sale	490 Capital Outlay < \$5,000
4650 Loss on Sale	4910 Office Furniture and Fixtures
4660 Other Miscellaneous and Corrections	4911 Office Furniture & Fixtures
4660 Other Miscellaneous and Corrections	4920 Machinery, Tools & Equipment
4661 CA St Contr/Borrowing Adj-Svcs & Supplies	4921 Machinery, Tools & Equipment
461 Depreciation and Amortization	4922 Computer Hardware
4630 Depreciation and Amortization	4923 Computer Software
4630 Depreciation and Amortization	4924 Electronic Equipment
470 Debt	4930 Hydrants and Meters
4700 Principal	4931 Hydrants
	4932 Meters

Abbreviations and Acronyms

AB	Assembly Bill	IVR	Integrated Voice Recognition
ABAG	Association of Bay Area Governments	JPA	Joint Power Authority
ADA	Americans with Disabilities Act	LAFCO	Local Agency Formation Commission
ALS	Advanced Life Support	LED	Light-Emitting Diode
AMR	American Medical Response	LIUNA	Laborers' International Union of N. America
AP	Accounts Payable	LID	Local Improvement District
AR	Accounts Receivable	LLEBG	Local Law Enforcement Block Grant
ARRA	American Recovery and Reinvestment Act	LLMD	Light & Landscape Maintenance District
Auth FTE	Authorized Full-Time Equivalent positions	M & O	Maintenance and Operation
AVASA	Abandoned Vehicle Abatement Service Authority	MEA	Milpitas Employees Association
A / V	Audio/Visual Equipment	MLS	Major League Soccer
BAAQMD	Bay Area Air Quality Management District	MOU	Memorandum of Understanding
BART	Bay Area Rapid Transit	MUSD	Milpitas Unified School District
CAD	Computer Aided Dispatch	MVP	Milpitas Volunteer Program
CAFR	Comprehensive Annual Financial Report	NAIOP	Nat Assoc of Industrial & Office Properties
CalPERS	California Public Employee Retirement System	MLS	Major League Soccer
Caltrans	California Department of Transportation	MOU	Memorandum of Understanding
CAPER	Consolidated Annual Plan & Performance Eval Rpt	MUSD	Milpitas Unified School District
CATV	Cable Television	MVP	Milpitas Volunteer Program
CCPI	California Consumer Price Index	NAIOP	Nat Assoc of Industrial & Office Properties
CDBG	Community Development Block Grant	NBO	Neighborhood Beautification Ordinance
CEQA	California Environmental Quality Act	NOVA	North Valley Private Industry Council
CIP	Capital Improvement Program	O&M	Operating and Maintenance
CIT	Counselor in Training Program	OES	Office of Environmental Services
CMAS	California Multiple Awards Schedule	OPA	Owner Participation Agreement
CMO	City Manager's Office	OSHA	Occupational Safety and Health Admin
CO	Certificate of Occupancy	PAL	Police Athletic League
COBRA	Consolidated Omnibus Budget Reconciliation Act	PAR	Performance Appraisal Report
COMPST	Computerized Statistics	PC	Planning Commission
COPs	Certificates of Participation	PCR	Police Community Relations
COPS	Community Oriented Policing Services	PERS	Public Employees Retirement System
CPI	Consumer Price Index	PLAN	Pooled Liability Assurance Network
CPR	Cardio-Pulmonary Resuscitation	POST	Peace Officers Standards and Training
CRS	Community Rating System	PPO	Preferred Provider Organization
CSMFO	California Society of Municipal Finance Officers	PRV	Pressure Reducing Valves
DDA	Disposition and Development Agreement	PUC	Public Utility Commission
DMV	Department of Motor Vehicles	RAP	Recreation Assistance Program
DOHS	Department of Health Services	R & D	Research and Development
DPW	Department of Public Works	RDA	Redevelopment Agency
EAP	Employee Assistance Program	RFP	Request for Proposal
EIR	Environmental Impact Report	RPTTF	Redevelopment Property Tax Trust Fund
EMD	Emergency Medical Dispatch	RMS	Records Management System

EMS	Emergency Medical Service	RWQCB	Regional Water Quality Control Board
EMT	Emergency Medical Technician	SB	Senate Bill
EOC	Emergency Operations Center	SBDC	Small Business Development Center
EPA	Environmental Protection Agency	SBWRP	South Bay Water Recycling Program
EPC	Emergency Preparedness Commission	SAFE	Strategic Actions For Emergencies
ERAF	Educational Revenue Augmentation Fund	SCVWD	Santa Clara Valley Water District
FBI	Federal Bureau of Investigation	SEMS	Standardized Emergency Management
FEHA	Fair Employment and Housing Act	SERAFF	Supplmntl Educ. Rev. Augmentation Fund
FEMA	Federal Emergency Management Admin	SFPUC	San Francisco Public Utilities Commission
FICA	Federal Insurance Contributions Act	SLETS	Sheriff's Law Enforcement Telecom System
FMLA	Family Medical Leave Act	SOP	Standard Operating Procedure
FPPC	Fair Political Practices Commission	SV-ITS	Silicon Valley Intelligent Transportation
FTA	Federal Transit Authority	SVU	Silicon Valley Unwired
FTE	Full-Time Equivalent	SWAT	Special Weapons and Tactics
FY	Fiscal Year	TABs	Tax Allocation Bonds
GAAP	Generally Accepted Accounting Principles	TAG	Technology Application Group
GASB	Governmental Accounting Standards Board	TIA	Traffic Impact Analysis
GFOA	Government Finance Officers Association	TDM	Transportation Demand Management
GIS	Geographic Information System	TOT	Transient Occupancy Tax
GPS	Global Positioning System	UBC	Uniform Building Code
Haz Mat	Hazardous Materials	UCR	Uniform Crime Reports
HCD	Housing and Community Development	UFC	Uniform Fire Code
HMO	Health Maintenance Organization	VLF	Vehicle License Fee
HR	Human Resources	VTA	Santa Clara Valley Transportation Authority
HUD	U.S. Housing and Urban Development	WMD	Weapons of Mass Destruction
HVAC	Heating, Ventilating and Air Conditioning	WPCP	Water Pollution Control Plant
I	Interstate	YBA	Youth Basketball Association
ICMA	Intern'l City/County Mgmt Association	YSB	Youth Services Bureau
IT	Information Technology	YTD	Year to Date

Glossary of Terms

Accrual Basis — A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received and spent.

Accomplishment — Programs and activities successfully completed in the prior fiscal year.

Agency Funds — One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

Appropriation — An authorization made by the City Council that permits officials to incur obligations against and to make expenditures of resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Appropriations Limit — Proposition 4 approved by the voters in 1980 limits the amount of money that cities may spend each year. This limit is set each year based on the amount that was appropriated in 1978-79 and adjusted each year for population growth and a cost-of-living factor.

Assessed Valuation — The value of real property and improvements, as determined by the County Assessor, against which the property tax levy is assessed.

Asset — Resources owned or held by a government that have a monetary value.

Balanced Budget — A balanced budget is defined as a budget where the anticipated operating revenues and other financing resources including carryover of outstanding encumbrances from prior year are equal to or exceed operating expenditures.

Bond — A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Budget — A plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them.

Budgetary Basis — This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar — The schedule of key dates which government follows in preparation and adoption of the budget.

Budgetary Integration — The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of the available appropriations and resources. A system of controls to ensure and demonstrate budgetary compliance with uncommitted balance of appropriations (avoid overspending or over committing budget) and unrealized revenues (monitor on an ongoing basis to determine whether spending reductions are needed to keep the budget in balance).

Building Permit Fee — Fee required for new construction or for any alteration or addition to a residence or commercial building. The fee is based on valuation. Electrical or plumbing/mechanical work also requires a similar permit with an itemized fee schedule.

Business License Tax — A tax imposed upon businesses in the community. The fee is a flat rate plus a minimal charge per employee.

Capital Assets — Assets of significant value and having a useful life of several years (the term fixed assets is also used).

Capital Budget — A plan of proposed capital expenditures and the appropriations to finance them. The capital budget is usually enacted as part of the complete annual budget that includes both an operating component and a capital component. The capital budget should be based on a capital improvement program (CIP) and is typically the first year of a multi-year CIP.

Capital Improvement — Projects which purchase or construct capital assets. Typically capital improvements include new street improvements, park development, the acquisition of land, major construction of public facilities, and major maintenance/repair projects such as street resurfacing or modifications to public facilities.

Capital Improvement Program — A comprehensive five-year plan of implementing proposed capital projects which identifies priorities as to need, cost, and method of financing during the next five years. The first year of the CIP is typically adopted as the current capital budget.

Capital Projects Fund — Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Capital Outlay — Expenditure for the acquisition of equipment for direct services with a useful life of two or more years and an acquisition cost of \$5,000 or more per unit (i.e. police vehicles, riding mowers, etc.). Capital Outlay is budgeted in the operating budget.

Comprehensive Annual Financial Report (CAFR) — The official annual financial report for the City. A CAFR is compiled by a state, municipal or other governmental accounting staff and audited by an external American Institute of Certified Public Accountants (AICPA) certified accounting firm utilizing Governmental Accounting Standards Board (GASB) requirements. It is composed of three sections: Introductory, Financial and Statistical. It combines the financial information of fund accounting and Enterprise Authorities accounting.

Contingency Reserve — A specific line item appropriation from which to distribute additional funds to decision units for salary increases resulting from employee contract negotiations and to pay for emergencies or unanticipated expenditures that from time to time arise during the course of a fiscal year.

Contractual Services — Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements and professional consulting services.

Debt Service — Payment of interest and repayment of principal to holders of the City's debt instruments.

Defeasance — The legal release of a debtor from being the primary obligor under the debt, either by the courts or by the creditor.

Department — An organizational unit of government which is functionally unique in its delivery of services.

Discount — The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Effectiveness — The degree to which an entity, program or procedure is successful at achieving its goals and objectives.

Efficiency — The degree to which an entity, program or procedure is successful at achieving its goals and objectives with the least use of scarce resources. Efficiency necessarily presupposes effectiveness.

Encumbrances — Commitments against an approved budget for unperformed (executed) contracts for goods and services. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Enterprise Fund — Used to account for specific services, i.e. water and sewer, which are funded directly by fees and charges to external users.

Equipment Charges — Charges or "rental fees" charged to user departments to defray the cost of maintaining the equipment used and to replace the equipment when it exceeds its useful life.

Expenditure — The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense — Charges incurred for operations, maintenance, interest or other charges.

Fiduciary Fund — The term is used when a governmental unit acts in a fiduciary capacity such as a trustee or agent. The government unit is responsible for handling the assets placed under its control.

Final Budget — The budget document adopted by resolution following the budget hearings in June of each year. The document formally incorporates any Council changes to the preliminary budget, resulting from the budget hearings.

Fiscal Year — The financial year for the City of Milpitas is July 1 through June 30 of the subsequent year.

Fixed Assets — Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture or other equipment.

Franchise Fee — A regulatory fee charged to utility companies for the privilege of doing business in the City of Milpitas, i.e. garbage franchise fee, gas and electric franchise fee, and nitrogen gas franchise fee.

Function — A discrete entity such as an organizational unit or groupings of interrelated programs within a department or division whose appropriations for salaries, services and supplies, and capital outlay can easily be subjected to analysis in the budget process.

Fund — An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Balance — Also known as financial position, fund balance is the excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other uses.

Gas Tax — Share of revenue derived from the State taxes on gasoline.

Generally Accepted Accounting Principles (GAAP) — The standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as Accounting Standards. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing, and in the preparation of financial statements.

General Fund — The main operating fund of the City.

Government Accounting Standards Board (GASB) — A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Governmental Funds — Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

Hotel/Motel Tax — A transient occupancy (less than 30 days at a hotel or motel) tax imposed for general purposes. The tax is currently 14% of receipts.

Infrastructure — The physical assets of a government (i.e. streets, water and sewer systems, public buildings and parks).

Interest — Income resulting from the prudent investment of idle cash. The types of investments are controlled by the City's Investment Policy in accordance with the California Government Code.

Internal Service Funds — Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary government and its component units or to other governments on a cost-reimbursement basis.

Legal Level of Budgetary Control — The lowest level at which a government's management may not reallocate resources without special approval from the legislative body.

Level of Service — A description of the services provided, or activities performed, and the cost and personnel requirements.

Line Item — The description of an object of expenditure, i.e. salaries, supplies, contract services, etc.

Materiality — The magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstance, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement. The objective of accountability in governmental financial reporting requires materiality to be judged in both a quantitative and qualitative manner (involves such issues as legal and contractual compliance).

Modified Accrual Basis — A basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and accumulated unpaid vacation, sick pay and other employee benefit amounts, which are recognized as expenditures to the extent they have matured.

Motor Vehicle In Lieu — A share of the revenue derived from registration fees charged by the State.

Objective — Program or activity intended to be implemented in the ensuing fiscal year.

Operating Budget — A financial plan for the provision of direct services and support functions.

Overhead Charges — A charge made to a developer account or the Redevelopment Agency to defray the direct and indirect overhead costs associated with an employee performing duties or providing services to the fund or account.

Park Development Fee — The fee paid by a developer or sub-developer for park or recreation purposes in lieu of the dedication of land.

Performance Indicators — Quantitative measures of accomplishments and objectives, sometimes known as workload/performance measures.

Personnel Services — Expenditures for salaries, wages and fringe benefits of a government's employees.

Personnel Allotment — List of full-time and part-time employees required to support a division or function, listed by their classification or title.

Personnel Analysis — Changes to personnel allotment from the previous fiscal year. Reorganizations, reclassifications and reallocation of resources are highlighted in this section.

Prior-Year Encumbrances — Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be an encumbrance when the obligations are paid or otherwise terminated.

Property Tax — A tax imposed on real property (land and permanently attached improvements) based upon the assessed value of the property. The tax rate may not exceed 1% of assessed value.

Proposed Budget — The budget document recommended by the City Manager that is approved as may be amended by the City Council during budget hearings. The hearings are held in May or June, and the approval of the Preliminary Budget gives spending authority effective each July 1st for the subsequent fiscal year.

Proprietary Funds — Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Recreation Fees — Charges for services provided to participants of Community and Recreation Services' classes, activities, and recreational sports.

Redevelopment — The planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation of real property, and the provision of such residential, commercial, industrial, public, or other structures appropriate to the general welfare of the City.

Redevelopment Property Tax Trust Fund — residual distributions of property tax revenue from dissolved Redevelopment Agency. The Redevelopment Agency is dissolved on 1/31/2012 due to ABX126.

Rents and Concessions — Charges for group rentals of City facilities.

Reserves — A savings account maintained for restricted use, i.e. self-insurance programs, capital improvement projects, or for unrestricted use to protect the City from emergencies or unanticipated expenditures.

Revenue Analysis — Departmental revenue sources are described. Revenue increases, decreases and strategies are highlighted in this section.

Sales Tax — Of the \$0.09 sales tax paid on every \$1.00 spent when shopping in Milpitas, \$0.01 is returned to the City.

Supplies and Contractual Services — The category of line items that describe non-salary and non-capital outlay expenditures.

Special Revenue Fund — Used to account for revenue that is set aside for restricted use, e.g. gas tax receipts are set aside in such a fund to be used solely for street improvements.

Supplemental Appropriation — An additional appropriation made by the governing body after the budget year has started.

Taxes — Compulsory charges levied by a government for the purposes of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers In/Out — Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Unassigned Unrestricted Fund Balance — Available expendable financial resources in a governmental fund that are not the object of tentative management plans.

Working Capital — Working Capital is a financial metric which represents operating liquidity available to a business, organization, or other entity, including governmental entity. Along with fixed assets such as plant and equipment, working capital is considered a part of operating capital.

Workload/Performance Measures — Quantitative measures of services provided, or activities performed, by an organizational unit.

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